

JULY

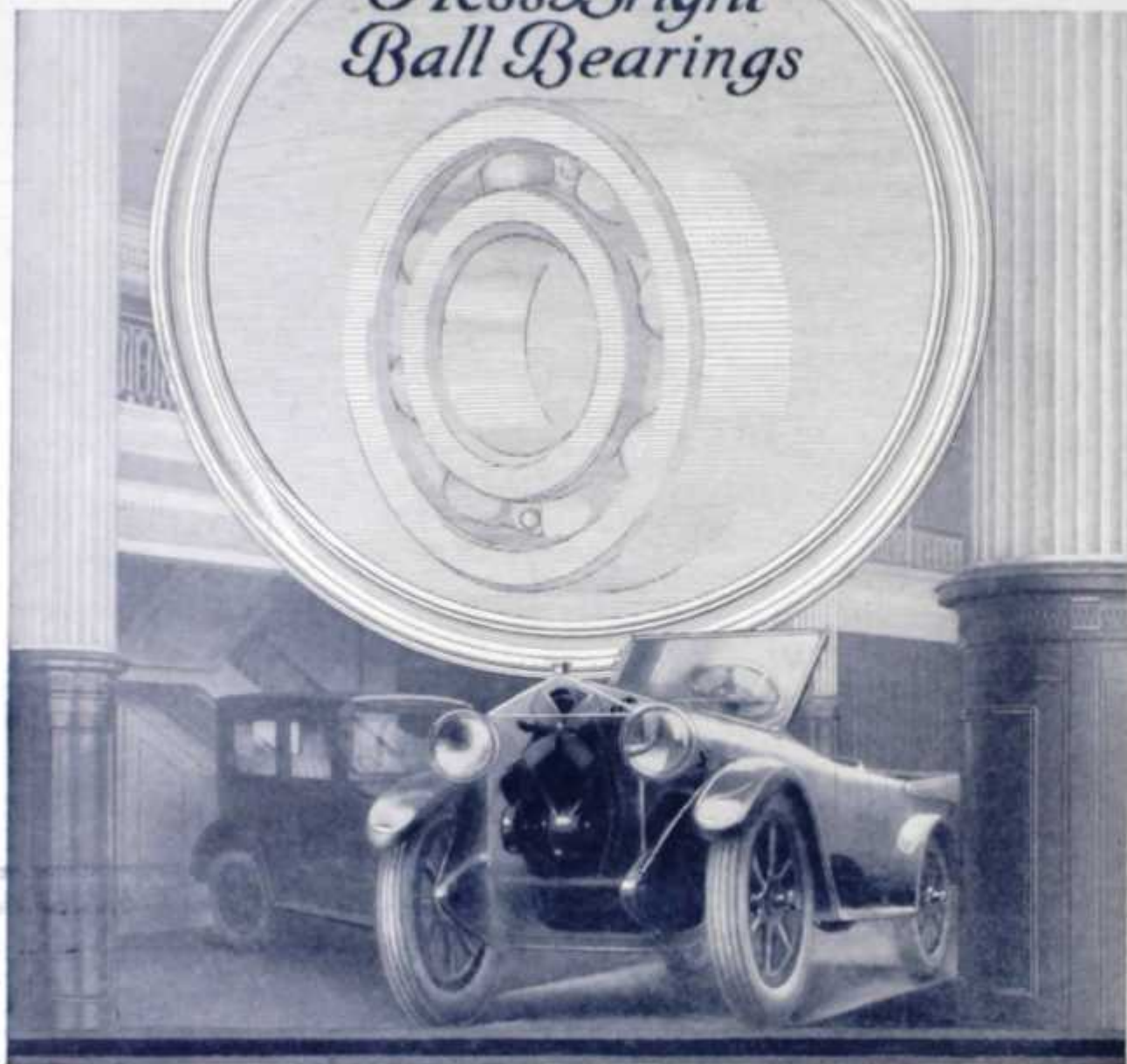
1918

THE
NATION'S
BUSINESS



E. H. MASTERS

Hess-Bright Ball Bearings



If you could see your car like this—

you would know that it's the ball bearings hidden in motor, transmission and differential that are reducing friction. And it's this reduction that allows smooth, silent running without vibration and with a minimum of wear. You'll find that Hess-Bright Ball Bearings are

the choice in most cars famous for exceptional service. You'll find they're the bearings of precision and long life. You'll decide that they are a mechanical feature essential to your satisfaction. They'll be found *where performance takes preference over price.*

HESS-BRIGHT MANUFACTURING COMPANY



Exceptional French Facilities Now Available

TO secure highly specialized relations with France, the Irving has entered into a reciprocal working arrangement with Messrs. Cox & Co. (France) Ltd., Paris. A French Department will be established in the Irving and an English department by Messrs. Cox & Co. (France) Ltd.

The plan insures the closest co-operation and creates mutually increased spheres of influence. It offers our customers unusual facilities and the benefit of a wide knowledge of French trade conditions.

IRVING NATIONAL BANK
WOOLWORTH · BUILDING · NEW · YORK



Strictly a Commercial Bank

The Power Behind the Sword

The Metal Mining Industry is the great, and basic power behind the sword. Today our National Independence rests upon an abundant and unfailing supply of metals.



W

WESTINGHOUSE
ELECTRIC

Back

Of the Metal Industry

—stands an organization of Electrical Engineers whose thorough and conscientious study of metal mining applications and requirements, has resulted in a complete line of electrical equipment of ample efficiency, strength and durability to meet and conquer any emergency in load or service

Westinghouse
Electric &
Manufacturing Co.
East Pittsburgh,
Pa.

*Hardinge
Mill*



Pumps



Flotation



Concentration



Blower



Ball Mill



Westinghouse

We Have With Us Tomorrow—

THE men who spend the advertising appropriations of the nation met at Chicago last week in semi-annual convention. During three days and nights these men discussed—not technical advertising, not the science of selling, but the economic phases of marketing.

* * *

Public opinion today appears to be more and more insistent that industry shall not add to the burdens of the consumer. The man in the street is considering the question of producing, selling, and distributing from an economic standpoint. Consequently the Washington representatives of that man in the street are inclined to look into the processes of business methods as they affect the consumer.

The Federal Trade Commission, for example, has lately called attention to some twenty-two trade practices which involve unfair methods of competition. They run the gamut from intimidation and boycotts through price cutting, misbranding, use of leaders, and defamation, on to bribery and espionage. This reflection of public opinion, it should be noted, deals with practices not so much criminally unfair as economically unfair.

* * *

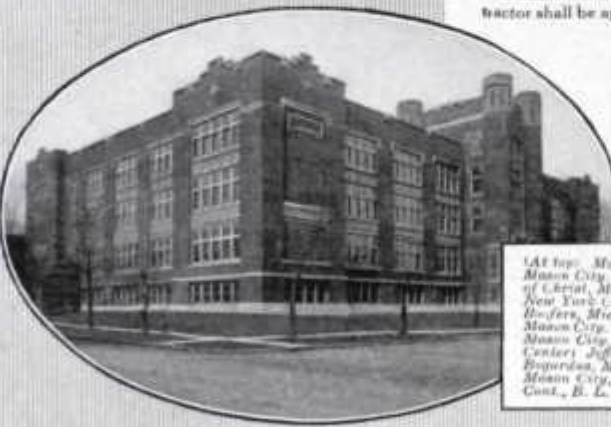
When the nations of the world gather around the peace table much time will be given to wiping out unfair practices in national trade. Germany is a prime offender. As a government she has rebated her exporters, she has misbranded goods, she has set down in customs offices her spies and accomplices. Tariffs and exchanges are known to have been twisted, coal withheld and allocation of shipping space juggled, all involving economically unfair competition. These will be under close scrutiny when the old world is given a new bill of health.

* * *

So rather than being incongruous, the discussions of the national advertisers were in line with the times. Production, massed, standardized, short-cutted, we have; consumer demand, we have; clearing the way between the two of all artificial obstructions is the present task. It is a good sign when the nation's business executives put their heads together on it.

Barrett Specification Roofs

Guaranteed
for
20
Years



Mason City, Iowa, makes a Record—

In Mason City, Iowa, 22,000 population, \$4,000,000 was spent in new buildings and commercial and civic development in 1917 in spite of war conditions! They built three public schools, a heating-plant, a handsome new eight-story office-building, two churches, and a Y.W.C.A. building, and all of them have Barrett Specification Roofs.

The public library and telephone-building, and many smaller buildings, likewise have Barrett Specification Roofs. In fact, of the thirty-one business-, industrial-, and municipal-buildings started or completed during the year, twenty-seven have Barrett Specification Roofs or roofs of Barrett materials.

Practically all of these roofs have been constructed by the local contractors, the Mica Insulating Co., inspected by our inspectors, and guaranteed free of repairs for twenty years by Barrett 20-Year Guaranty Bonds.

For permanent buildings Barrett Specification Roofs are so much better, so much cheaper per year of service, and offer so much more in fire-protection, that they cover more of such structures than any other kind.

A copy of The Barrett 20-Year Specification, with roofing diagrams, sent free on request.

Guaranteed for 20 Years

We are now prepared to give a 20-Year Surety Bond Guaranty on every Barrett Specification Roof of fifty squares or over in all towns of 25,000 population and more, and in smaller places where our Inspection Service is available. This Surety Bond will be issued by the United States Fidelity and Guaranty Company of Baltimore and will be furnished by us without charge. Our only requirements are that the roofing contractor shall be approved by us and that The Barrett Specification dated May 1, 1916, be strictly followed.

The Barrett Company

New York	Chicago	Philadelphia	Boston	St. Louis	Cleveland
Cincinnati	Pittsburgh	Detroit	Birmingham	Kansas City	Minneapolis
	Nashville	Salt Lake City	Seattle	Peoria	
THE BARRETT COMPANY, Limited:			Montreal	Toronto	Winnipeg
Vancouver	St. John, N. B.	Halifax, N. S.	Sydney, N. S.		

(At top: Modern Brotherhood of America Bldg., Mason City, Iowa. Roofers, Mica Insulating Co., Mason City, Arkh.; Bell & Bentley, Minneapolis, Conn.; W. S. Kingsley, Portland, Me.; (Second) Arch of Christ, Mason City, Ia. Roofers, Mica Insulating Co., Mason City, Arkh.; Geo. W. Kramer & Son, New York City, Conn.; Wm. O'Neil & Son, Fairhaven, Mass. (In oval) Mason City High School, Ia. Roofers, Mica Insulating Co., Mason City, Arkh.; J. H. Felt & Co., Mason City, Conn.; H. F. Jones, Mason City. (Bottom at left) Markley-Smith Bldg., Mason City, Iowa. Roofers, Mica Insulating Co., Mason City, Arkh.; E. Brown, Mason City, Conn.; F. R. Wells & Son, Mason City. (Bottom in center) Jefferson School, Mason City, Iowa. Roofers, Mica Insulating Co., Mason City, Arkh.; E. R. Ferguson, Mason City. (Bottom at right) Y. W. C. A. Bldg., Mason City, Ia. Roofers, Mica Insulating Co., Mason City, Arkh.; Shattuck & Hunsley, Chicago, Ill. Cont., B. L. Straton, Mason City.



THE NATION'S BUSINESS

A Magazine for  Business Men

VOLUME 6, NUMBER 7

WASHINGTON, JULY, 1918

FOREIGNERS—ALWAYS?

"A Brother Hedged by Alien Speech
And Lacking all Interpreter"

By FRANK TRUMBULL

Chairman Immigration Committee, United States Chamber of Commerce

THERE are 13 million foreign-born persons in the United States. One-third of these, nearly 5 million, were born in Germany or in countries allied with Germany.

Thirty-two million, or 35 per cent of all our people are of foreign-born parents.

Of our 13 million foreign-born persons, half are men of voting age; and only 4 out of every thousand attend school to learn our language.

New York City has 300,000 illiterate immigrants. It has 500,000 who neither understand nor speak English.

Fifty-six per cent of the population of Cleveland, Ohio, are from Germany or from countries allied with Germany.

Seventy-five per cent of Cleveland's population are either foreign-born or of foreign parentage.

Eighty thousand persons in Cleveland are unable to speak English; and 100,000 men of voting age are not naturalized.

The immigrant contributes 85 per cent of the labor used in the slaughtering and meat packing industries;

He does seven-tenths of the coal mining;

He does seven-eighths of all the work in the woolen mills;

He contributes nine-tenths of all the labor in the cotton mills;

He manufactures more than half the shoes;

He builds four-fifths of all the furniture;

He makes half the collars, cuffs and shirts;

He turns out four-fifths of all the leather;

He makes half the gloves;

He refines nearly nineteen-twentieths of the sugar;

He makes half the tobacco and cigars.

In these facts is to be found the significance of the President's call on the people of the United States to set aside the Fourth of July this year as Americanization day.

Here is a vast industrial army necessary and invaluable to us in peace time, and desperately necessary to us in war. One of our big war-time jobs—neglected in peace time—is to absorb that army, and make it effectively

American. In this day of peril we must have the support and loyalty of that army in full measure. If we are to have it, therefore, we cannot afford that these newcomers should find America otherwise than what they pictured in the dreams that brought them here.

We have neglected the immigrant. This charge holds in spite of the many organizations in this country that have for years been trying to arouse us from our national indifference. As a nation we have neglected him. The result is that he is today a gap in our national defense. The so-called "disloyalty" of which we hear so much is often the result of previous economic exploitation, vicious industrial propaganda of the L. W. W. type, inadequate educational opportunities, bad housing conditions, and, above all,

men to speak and think in American, and to tell them something of what America is and stands for. In some cases an increase of wages is offered to workmen who attend the English classes.

The Ford Motor Company has 2700 pupils receiving English instruction two hours a week, all attending on their own time and without extra pay. Pupils learn to speak English in six weeks. Accidents in the plant have decreased 54 per cent since employees have become able to read factory notices and instructions.

The Bethlehem Steel Company reports that from 90 to 95 per cent of accidents in its plant are due to ignorance or carelessness, and that most of them can be eliminated through education.

To Our Citizens of Foreign Extraction:

NOTHING in this war has been more gratifying than the manner in which our foreign-born fellow citizens and the sons and daughters of the foreign born have risen to this greatest of all national emergencies. You have shown where you stand, not only by your frequent professions of loyalty to the cause for which we fight but by your eager response to calls for patriotic service, including the supreme service of offering life itself in battle for justice, freedom, and democracy. Before such devotion as you have shown all distinctions of race vanish, and we feel ourselves citizens in a Republic of free spirits.

Your petition, with my hearty commendation, is called to the attention of all my fellow countrymen, and I ask that they unite with you in making the Independence Day of this the year when all the principles to which we stand pledged are on trial the most significant in our national history.

As July 4, 1776, was the dawn of democracy for this Nation, let us on July 4, 1918, celebrate the birth of a new and greater spirit of democracy, by whose influence we hope and believe what the signers of the Declaration of Independence dreamed of for themselves and their fellow countrymen shall be fulfilled for all mankind.—President Wilson.

ignorance of our language and institutions.

A clear-cut purpose to look after the welfare of the immigrant has lately become evident in this country, and the movement is growing by leaps and bounds under the stress of labor difficulties, many of which have their root in our failure to understand the immigrant.

Industrial firms everywhere are turning energetically to the building up of classes in their factories for teaching foreign-born work-

In New York City the Board of Directors of the Merchants Association of New York said in a recent report on the immigrant problem in New York:

"We recommend strongly the institution of classes for manual workers and especially for illiterates in places of employment during daylight hours, preferably with the cooperation of the public school authorities and without loss of pay during the brief daily periods of instruction, it being found that sixty hours of instruction will enable an illiterate person to read, speak, and write 600 English words, in common use, and to add, subtract, multiply, and divide."

Here are three from a list of significant questions asked by the Rubber Association of America of its plants:

"Do you treat your native-born and foreign-born workmen alike in matters of respect, working conditions, and living conditions (when under your control)?"

"Are you making any attempts to discourage the use of such epithets as 'dago,' 'hunkies' and other similar names that would tend to excite derision?"

"What incentive do you give your workmen to stay with you, with respect to safety provisions, first aid, lunch and wash-rooms, insurance, bonuses and housing?"

Facts are pouring in from every part of the country upon the Immigration Committee of the Chamber of Commerce of the United States, all showing as unmistakably as the instances already given how industrial leaders, everywhere, big and little, are turning inevitably to the consideration of this thing, forced to it by the pressure and the needs of war.

The best possible note, of course, is struck when the measures taken show a sincere desire to help the alien. As an instance of that consider a measure recently taken by the Mass. State Bureau of Education. The bureau printed placards and hand bills in several foreign languages. It said:

Beware of all kinds of swindlers.

Refuse to pay your money for exemption.

Do not be led to sign agreement to pay.

No one can buy exemption.

No influence however strong can secure it.

Bring or send your statement to this office. Your claim will be presented properly, without charge.

If your claim is legal it will be granted.

If it is not legal you must serve.

Do not permit yourself to be robbed.

This bureau will tell you the truth about the draft law, exemptions, allotment of pay, insurance, etc.

These placards have been posted in every railroad station of the state and post offices in local exemption boards and in factories.

The Bureau has also announced through placards and hand bills in many languages that it "is maintained for the information, advice, and guidance of our residents of foreign birth, to give them, without charge, cooperation in solving the various problems which arise from their living in a country with the language and laws of which they are not acquainted."

Bravo, New York State!

AS a part of this service interpreters are provided. Special pains have been taken to explain the provisions of the draft and soldiers' insurance laws. Assistance is given in making out and filing official papers. The services of a notary are given without charge. The Bureau also investigates complaints and disputes.

It would be hard to find any plan of Americanization more generous and disinterested in spirit, and more calculated to appeal to the foreigners by sheer good faith than such measures as these. In the long run it is the kind of thing that will do more than the most colossal effort to summarily lug these people in by the ears—as too many intolerant and not too scrupulous enthusiasts seem to think should be done.

Here is another case of the same kind—marked by a spirit of wise and kindly tolerance. It comes from a statement of the Adjutant General of New York State defining the military policy of the State of New York toward alien workers. It reads:

The Division of Aliens will emphatically discourage the wholesale dismissal of Aliens from factories and workshops not engaged in the manufacture of munitions of war or in products for the use of the Army or Navy, and will provide a connection with the state employment officers.

It is a destructive policy to dismiss a man whose disloyalty is not proved, just because he is a German or Austrian, and set him at large with nothing to do, with a hungry family, with bitterness in his heart—a prey to anti-American influence, when with a little forethought he can be shifted to industries where he can do no harm and he will be of service.

Every employer in the state will be asked to communicate with the Division of Aliens before dismissing such men for other than the usual business reasons.

Such a definition of policy as that means infinitely more than the spread-eagles and flag waving of all the soap-box orators, and more than coercion and boycotts on the part of misled employers.

It remains, if this movement is to have a maximum of result, to give it direction, and by a process of education, bring the truth home to the whole American people so that every individual citizen will feel his great responsibility.

Certain things about the immigrant we have not realized as a nation. He has a claim, not merely on our sympathy but on our respect. He came to our shores drawn to a hazard of

BUT all the patriotic utterances will be wasted effort, unless at the same time the spirit of fair play is observed in our dealings with the alien employee. If he is housed in slum tenement or in shanties, he will have little love for a land that treats him like cattle.

All this is no longer theoretical, nor is it to be classed as philanthropy, charity, welfare work, or some effort at paternalism on the part of a kind-hearted employer. It is a straight business proposition.—Secretary Franklin K. Lane.

new fortunes because he had enterprise and initiative. He came full of hope, glad with his vision of a life worth living—something far and away better than anything he had ever known in his own land.

He came, and he shouldered a mighty industrial burden, and made himself an indispensable factor in our national economy; and he became a social and economic asset of great actual value, and of untold, unguessable, unrealizable, potential value.

But we have been blind to it. We have grudged him room, and we have done little or nothing toward making him comfortable or happy. In certain industrial centers these foreigners are bringing up their children, future American citizens, in houses no American laborer would live in, and far below even their own unexact standard of living. Their wages are often outrageously low. They toil in a little, restricted roundy between the roaring shop and a miserable home—with no liberalizing contacts and no chance. What wonder that many of them seem sluggish and respond slowly when help does come their way?

In our western villages small boys stick out their tongues at the "dagoes" and the "ginnies," and stone them in the streets. It is not enough to say that small boys are savages. It is our national attitude that divides the world into Greek and Barbarian that has got to change. Such incidents, and a hundred others of much greater brutality and callousness on the part of adults, mean that as a people we must learn to understand the immigrant, and to see his worth.

We have regarded him with contempt; we have taken his labor for a song, glad when his standards of living called for no higher wage; we have insulted him; we have despised and rejected his ideas; we have shut the door in his face. Because he has spoken in another tongue, and has not learned our standards in the lands he came from, we have too often seen in him and his children, even the little ones, only a thing to be used and ground to nothing in the wheels of our monster indus-

tries—untouched by any thought of the shame and pity of it. We have talked easy and effortless generalities about "absorbing" him as if he were the clod-like subject of a digestive process; and we have too often had it in mind to appropriate him to our use without regard or respect for the tradition and culture which he drew in with his mother's milk—a tradition of song, story, music, and passionate ideals which, if preserved and respected by us, can greatly enrich our national life, and give it much that it has lacked in its rawness and its newness.

All this must end. The first step toward its end is the education of every American citizen to an understanding of such facts as these, and of others like them.

The immigrant must learn our language and thought that he may blend the best we have with the best he has. And until he shall learn our tongue he should be addressed with the one language which even the beasts of the field can understand—the smile.

It is simply a question of getting his point of view and of genuinely respecting it. Suppose an American should go to England or France with the idea of staying there ten or fifteen years. He might have it in mind to make money there, but he would also expect to render a fair economic return. He loves his country. He would therefore be disposed to regard it as an insult if any Englishman or Frenchman should take it

for granted it was his duty to be naturalized, or that a stigma attached to him if he clung to his native country.

Thousands of our immigrants could be won to American citizenship by a little tact, and by making them comfortable and happy. When a manufacturer announces "Only American citizens employed here," and refuses to employ men who have not seen fit to become American citizens, he may be defeating the very end he has in view.

It is of first importance that American business men in particular should understand that American citizenship is a state of mind, not a signed paper. We are dealing with men who have fled oftentimes from intolerable economic conditions, but who, if they are worth anything to us, love their own land, when they come to us, far better than they love America. They would be lacking in the first elements of patriotic manhood if they did not.

The Winning Policy

THERE are two things to do. One is to give immigrants the full industrial opportunity for which they stand ready to give a fair industrial return. The second is to invite them, if they feel that they want to stay with us, to assume the duties and privileges of citizenship. It is right and proper that they should do that if they remain. Few of them will fail to recognize and honor the obligation. And those who do not honor it, it would be folly to force into the ranks of our voters by any processes of coercion. We do not want them to take citizenship on those terms.

Third, America—that nation of many peoples—realizes that those who have come here must expect to make sacrifices as well as achieve the realization of their dreams. Henceforth the full measure of duties and obligations goes with full opportunity. With the cooperation of all its residents the United States has set its face to the great task of fashioning one nation of many races.

A New Channel for War Credit

Government Puts Credit Within Reach of Banks which Supply Funds to the Enterprises Necessary to the Prosecution of the War

By GEORGE FARLEY

IN the War Finance Corporation the government has set up a plant which furnishes credit for war industries, just as Wilmington furnishes powder for the Army, Bethlehem gun carriages for artillery, and Camden ships for the transportation of troops.

In our practice, credit is an ingredient of warfare, as indispensable to us in the present struggle as powder and gun carriages and ships. This is so for the reason that the government, in procuring fighting material and all the things which go to sustain the pomp and tragedy of war, chooses to transact its business in accordance with approved practices rather than resort to the simpler but, for us, antiquated method of fiat paper money.

The tremendously increased output expected from our industries as the result of the war immediately called for vastly greater outlays in capital expenditure. Expansions to plants were and still are the order of the day. The steel plant at Bethlehem, for instance, is reported to have been nearly doubled and its value to have grown from something like \$80,000,000 to \$150,000,000. Capital expenditure, moreover, was not the only cause which sent manufacturers on the search for greater credit than they had had to ask for before. There was more raw material to pay for, more fuel, more labor, more transportation charges.

The Emergency Explained

MANUFACTURERS dealing directly with the government were allowed advance payments on contracts for supplies. But for the great number of men who did not hold contracts with the Army or the Navy Department yet whose output was being absorbed by them and was imperatively needed by them, for such there was no emergency relief, no special facility to procure credit. They were left to rely entirely on their bankers.

They began to find, however, that the channels through which they had financed their business in the past were closing to them—their bankers had all of their obligations which they could carry. Men whom the government was asking to turn out certain supplies could not do it because they could not get the capital for extensions or one thing or another. If the industries of the country were to keep the Army and the Navy supplied, new channels of credit must be opened up, or the old ones, the banks, must be enabled to send

a steady flow of credit to the plants making war goods.

Secretary McAdoo, interceding for the passage of the bill establishing the War Finance Corporation, told the Senate committee of the difficulties of two power companies. One of them had made a public offering of its securities, the proceeds to be used in part to pay maturing obligations and in part for needed extensions to the plant. In the words of the law, this plant is "contributory to the prosecution of the war," its output being largely consumed by war industries. Less than 20 per cent of the amount of securities offered was sold, and most of the sales were made to persons whose prior investments in the company's securities made it desirable that the issue should be a success.

The other company, this one operating in central Pennsylvania, furnishes power for the operation of coal mines. Under ordinary conditions, the company would have sold, a short time ago, about \$1,500,000 of securities for the purpose of completing necessary extensions and construction work. Being unable to do that, it borrowed \$500,000 on short loans from small local banks. A demand on the part of a few of those banks for repayment could not be met. Not only would extension work cease, but the company might face a receivership.

Mr. McAdoo reported a similar situation from Michigan. A public utility corporation had \$5,000,000 of notes maturing, issued for construction purposes. The company was forced to borrow over \$5,000,000 in short loans from different banks. There was an insistent demand from the industries of that section for more power for manufacturing purposes which the company was unable to meet because of lack of adequate capital and the uncertainty of its position with such a large floating debt.

See Your Bank First

THE aid extended to industries by the War Finance Corporation will flow, normally, through banks. The Corporation will do for banks, insofar as they finance capital expenditure of war industries, what Federal Reserve banks do for them in other matters. Federal Reserve banks rediscount "paper" growing out of commercial transactions, out of the sale of goods, and provide credit used in the current transaction of business. Loans on real estate mortgage bonds and the like, the creation of credit used to buy more land, put up new

buildings or install new machinery, are made upon security which is not available for re-discount at Federal Reserve banks. A ready discount market for such loans was imperatively called for by the present emergency, and hence the War Finance Corporation came into being.

Direct Dealing Possible

THE Corporation—to repeat for emphasis' sake in order to remove a widespread misinterpretation of the law—will operate chiefly through banks. A manufacturer will borrow from his banker, following the usual business procedure, and if the loan is more than the banker can carry, he in turn will borrow from the Corporation. For example, the first loan made under the law, a loan for \$1,000,000 to run for two years, was negotiated through two large banking institutions on the Pacific coast for the benefit of the Northwestern Electric Company, which was called upon to enlarge its facilities in order to generate additional power for use by shipbuilding concerns. This advance was made on the notes of the banks secured by first mortgage bonds of the company, supported by other collateral.

In rare cases in which it is established that an applicant doing work important in the war programme cannot get essential help from the banks because the banks, as Secretary McAdoo phrased it, unwisely discriminate against it, the law authorizes the Corporation to make a direct loan to the industry. It is worth while to quote here the language of the law. "The Corporation shall be authorized, in exceptional cases," to make such advances "only when in the opinion of the board of directors of the Corporation such person, firm, corporation or association is unable to obtain funds upon reasonable terms through banking channels or from the general public."

Such an instance has already arisen. The Corporation approved, early in its career, a direct loan of \$3,235,000 for six months to the United Railways Company of St. Louis, because the conditions seemed to warrant this action under the "exceptional case" clause of the law. The loan was secured by the entire issue of first and underlying mortgage bonds of the Union Depot Railroad Company on trackage in the centre of the city plus \$800,000 of Liberty Bonds. Misapprehension in the minds of many persons as to how this new credit machinery was to work led to a number of applications being made for direct loans where recourse should first have been had to banking institutions. (Concluded on page 42)



A Compact of Industrial Peace

Employers and Wage-Earners, Through Representatives, Work Out Common Problems by Democratic Tests of Equality and Self-Determination

By W. C. TEAGLE

President Standard Oil Company (New Jersey)



IF there is anything good to come out of this war—and we must feel that some good will come, fearful though the cost to the world must be—surely one of the lessons we have all learned is that the day of government by force is gone. That is a procedure which the world would never put up with again, either as between

nations, or communities, or classes.

Henceforward, industrial peace, like peace between nations, must depend upon mutual sympathy and understanding between all sections of industry. In connection with this war, as in no previous period in history, industry has come to be recognized as absolutely essential, and with this has come a recognition of the place for true Democracy in Industry.

The prosperity and continued development of a business is in some proportionate degree dependent upon each individual. No position, conscientiously filled, is unimportant. Every task is essential, and the place of the wage-earner as an important and integral part of the organization should have at least the elements of permanence in it. This means not only recognition of his rights to fair treatment and fair wages, but freedom to be heard on these points, to state his needs, and in a full and loyal spirit of cooperation work out their solution.

Where large numbers are employed, direct personal contact between an individual employer and the individual employees becomes impractical. So we come face to face with the proposition of industrial representation—the establishment of a system whereby an approach at least is made to the ideals of Democracy, and employers and wage-earners come together, "all men free and equal," to work out the common problems of their state—the business in which they are jointly engaged.

The result aimed at is a large mutual understanding in the light of which the just aspirations of the men will be advanced by the employers, just as surely as all demands that are shown to be unreasonable and unfair will

be withdrawn and dismissed by the men.

We do not regard this as paternalism, still less as philanthropy. We believe that the more contented a workman is—the freer he is from worry, the more thoughtful, progressive and ambitious he is—the better his work will be, and the better it will be for everyone, however remotely concerned.

This is the aim which the Standard Oil Company (New Jersey) has had before it in developing the plan of industrial representation, insurance, sick and accident benefits, and annuities, recently put before its employees.

I am glad to say here that we were not driven to our new departure by any industrial unrest. Our men were contented and the sky was clear in so far as we were concerned, but it seemed to us a good opportunity to set about creating an atmosphere which would make trouble impossible for all time. Fortunately we

which free representation of the men will be assured in all matters affecting them, will, we believe, prove a most important and helpful factor in our labor relationship.

The representatives are elected from among the men by secret ballot. The whole body of employees at each plant being divided into groups or divisions, with approximately two representatives for each group of 300 or less, with additional representatives for larger groups. These elected representatives are expected not only to take up the grievances of individuals or groups, but to cooperate with the management with reference to all that concerns working conditions in the plant and also the company's relation to living conditions in the community. All such grievances and plans will be considered freely in joint conferences where the number of company representatives will never exceed the number of employees' representatives.

We believe that these representatives will play an invaluable part in giving the men a feeling that they are a real part of the organization, that they have the company back of them, and that the company is not some unknown, unapproachable power, but consists of men like themselves, with whom they can talk and before whom they can lay their troubles.

This same principle is carried out in connection with our Employment Department. We have a list of offenses agreed to by the representatives, plainly posted in the works, which sets forth certain definite grounds on which suspension or

discharge may be incurred; but nobody can be suspended or dismissed out of hand by any foreman. The foreman merely reports the case with recommendations to the Employment Department, by which all further action is taken. In the case of offenses other than those listed, the first infringement calls for formal warning. The second infringement is reported to the Employment Department, by whom the man may be suspended, or discharged, or, if may be, transferred, or found wholly innocent. In any case where an employee feels he has been unjustly treated or subjected to unfair conditions, he has the right of appeal, either in person or through his elected representative.

Terms of the Agreement

THE first joint congress of the executives and wage-earners of a great American industry met on the evening of the first of April last in the offices of the Standard Oil Company of New Jersey, 26 Broadway, New York City. Of the one hundred and forty-six present, half were representatives of the staff of the Company, and half were representatives of the workers chosen by a general democratic ballot. The executives were hosts at a banquet. Both executives and employees discussed their new charta of industrial democracy. The terms agreed upon follow:

1. An Employment Department, organized at each of the works, and responsible to the Superintendent of the Works, will engage all new employees, applying only intellectual and physical tests; will act as a clearing house in transferring employees, and will furnish employees friendly counsel in personal matters.
2. Employees will be subject to suspension or dismissal without further notice upon violation of conspicuously posted rules against drunkenness, injury to property, violation of safety regulations. For other offenses the employee may be discharged only after notice and investigation by the Employment Department. A discharge order must have the approval of the Superintendent of the Works.
3. Any employee has the right of appeal to his foreman, the Employment Department, the General Superintendent, and, if need be, the higher officials of the Company.
4. Wage adjustments shall be made in joint conferences between the employees' representatives in the divisions affected and representatives of the Company, subject to approval by the Board of Directors.
5. Joint conferences of employees' and Company's representatives shall be held in each of the works at least quarterly, with a general conference of all representatives from all works annually at the call of the President. At all conferences of the number of the Company's representatives shall not exceed the number of the employees' representatives.

avoided any suspicion that the plans we were introducing were aimed to take the place of possible increases in wages, as we were able to announce at the same time a new increase in wages all along the line. It has always been our settled policy to pay wages as high as or a little higher than paid by other employers in the locality. Our wages, in fact, have been increased five times since August, 1915, the aggregate increase in the case of common labor going as high as 98%.

It is now a part of our agreement with the wage-earners that in the future all changes in pay, whether up or down, shall be made in conference with the representatives of the men affected. These joint conferences, by

to the general superintendent, and right on up to the highest officials of the company, if the regular course of procedure with the foreman and the Employment Department should fail to bring about satisfactory settlement.

In somewhat a similar spirit, our insurance, sick benefits, and annuities plan aims to give the employees a feeling of permanence in their work and a definite place and a definite share in the organization. Every employee of more than a year's standing is insured for a minimum of \$500. This insurance is re-adjusted on an ascending scale each year, so that after being in the employment of the company for five years or more, the insurance amounts to

12 months full pay, with a maximum of \$2000. Employees do not have to undergo any physical examination and all premiums are paid by the company, no tax of any kind falling on the workman insured. Furthermore, the insurance does not necessarily lapse if the employee leaves the service of the company. He can continue his insurance, still without the need of going through a medical examination, by making his own arrangements with the insurance company for the payment of the regular premiums called for on a man of his age. All suspicion, therefore, that this insurance might be used unfairly to hold men in the company's employ is dissipated.

In the case of sickness, employees receive half wages during illness for periods ranging from six weeks, in the case of those whose term of service is less than 2 years, to 52 weeks in the case of employees of 10 years' service and over.

In all this, as I have said, we aim to make the wage-earner feel that he is an integral and permanent part of our organization, and to recognize him as such. Just as our interest in him is not limited to the work he does from day to day, so his interest in the company is not limited to his daily wage, but by his loyal service he is building for himself an assured and an increasing share in its prosperity. Capital and industry are partners.

THE WORKERS SIGN THE CONTRACT

By JOSEPH A. McDEVITT

Employees' Representative, Standard Oil Company (New Jersey)



WHEN the notices of a conference between the representatives of the employees and those of the company were first posted, there was apparent among the majority of the former a disposition to regard the sincerity of the proposal with the proverbial grain of salt.

In fact many regarded the suggestion as a pharisaical proposition at which polite nothings would be exchanged without any practical benefit accruing to either party.

However, a friendly rivalry was stirred among the employees resulting in the election, by the Australian ballot, of representatives from the several departments of the Bayway Refinery. The entire corps then awaited with doubting minds the outcome of this unusual conference.

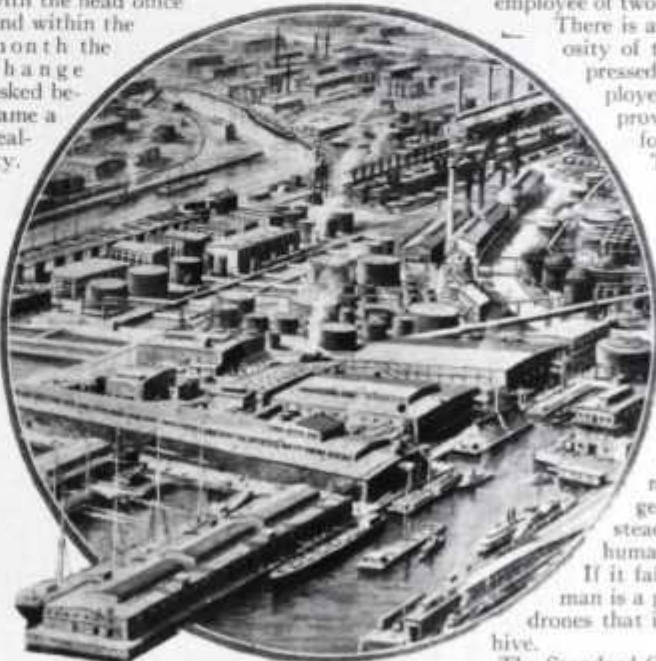
The Reward of Confidence

I remember well the surprised faces of the men who quizzed us on our return to the refinery and listened to our enthusiastic report of the generous provisions made for our future, and more especially the prominence that had been given to the employees through their representatives. I freely admit that as a representative I did not, in even the slightest degree, hope to be considered with the respect that was shown us. In fact we representatives were completely ignorant of the real purpose of the conference, and, as a consequence, the surprise was as joyous as it was sudden and startling. The very generous provisions of insurance, of sick and accident benefits made without a penny of cost to us, fell indeed most pleasantly on our ears, so that at the time we failed to comprehend or appreciate the advantages which a real representation in the company meant to us.

The real meaning dawned but slowly. But shortly I realized that here were men, prominent in position and strong in purpose and accomplishment endeavoring manfully to show us that our welfare and their welfare were of the same wool and warp that made up the fabric of this great company. Who assured us that both sides were misunderstood and had made mistakes and that now was the time to extend the hand of friendship as a pledge of future sincerity and equality.

We grasped that hand held out to us with earnest purpose of doing our part and with

strong hope that their sincerity was genuine. We did not have long to wait the proof of their purpose. Within one week of the conference, a delegation of the representatives of the employees called upon Mr. R. T. Hewitt, superintendent of the Bayway Refinery and asked that a change in the time of payment of wages be made in order to accommodate the workers on the night shift. We believed we had cogent reasons for requesting the change and so enumerated them. We were listened to with attention and departed feeling that our plea had fallen upon sympathetic ears. The matter was at once taken in hand with the head office and within the month the change asked became a reality.



I believe that this initial success of mutual understanding between the company and the men has accomplished more to establish a lasting confidence among the latter than volumes of literature. For the men are not unaware that a change that effects a payroll of 2500 entails a great amount of labor and expense and would not be considered unless there was an underlying purpose of making conditions for them as pleasant and as accommodating as possible.

Throughout the plant, there is a noticeable change in the disposition of the men. This may be explained by the fact that the men know, as they never knew before, that they

are a very vital part of the company, and, what is more important, they are so recognized and are represented. The moral effect of this develops in the worker an impression fully as strong as the fact that he is protected both as to himself and family in the generous provisions by the company in the event of sickness, accident or death.

On the 16th of April last, one day after the insurance plan of the company had gone into effect, an employee of the Bayonne Refinery died. Within a few days the bereaved family received a company check for five months' full pay, representing the insurance of an employee of two years' service.

There is another feature of the generosity of the company which has impressed itself strongly on the employees. This is the sick benefit provision which allows half pay for a period of 31 weeks. There is no denying the fact that the state of mind either retards or hastens the recovery of the sick. Is it not a very satisfying and consoling thought to the man confined to his bed that those dependent on him will not suffer privation while his earning powers are impaired? Will not the thought that a generous company has made provisions for those near and dear to him, engender in him a loyalty and a steadfastness that no other human power could call forth? If it fails of its purpose, then that man is a poor apology and one of the drones that it is best to rout out of the hive.

The Standard Oil Company of New Jersey has accomplished in a few short weeks what many years of misguided endeavor have failed even to inaugurate. Men are men, regardless of what position they might hold. If their work is a part of the great machinery of the company they wish a proportionate recognition. Slackened energy gives its return in lessened efficiency, and the strongest organization is no more powerful than its weakest part.

And in the strengthening of its several parts, the Standard Oil Company has done a noble work that should be a model to the industrial world. There is no customer like a satisfied one nor a more efficient employee than he who invests a strong confidence in his employer.



YEARS ago a merchant in a small Virginia town undertook to build an electric car line from the city out into his neck of the woods. He didn't have much money for the enterprise; and all the experts and the electric trolley men wagged their heads knowingly or laughed, and said "It can't be done."

But the merchant went to the junk dealers of the surrounding cities; and from them he bought part-used rolls and remnants of new copper wire, discarded braces once used but as good as new, bolts, fittings, and supplies of every kind, all of them cast aside—wasted—by the gentlemen who were telling him it couldn't be done.

He built his line, then had an appraisal made; and the sum named in the appraisal was three times what it cost him to build the road.

Americans have hitherto been said to have surpassed all the other peoples of earth in wanton wastefulness, but they are now showing to an astonished world that they are masters of the art of reclamation as well. There has always been romance in the life of a man who "maketh two blades of grass to grow where there was but one," but there is even greater fascination and charm in the task of "making the world safe for Democracy" with munitions made of scrap iron, and Liberty Bonds printed on paper made from discarded rags.

Old shoes, leaky coffee pots and tin cans, formerly tossed into a vacant lot to rot and rust, or, else, to test the gastronomic powers of an errant suburban goat are today things of great value. They are now being turned to good account in the great game of conservation made necessary under the conditions of war. By burning the old shoes chemicals of great value are derived especially suited to the manufacture of high grade fertilizers, while the uses of scrap metal have been so multiplied the United States Government, itself, has become chief purchaser and consumer. The ink is reclaimed from old newspapers before they are returned to the pulp pots of the paper mills

discarded with disdain from the national dinner table.

Jokes and jibes at the junk man have been silenced. From the squalid masses of poverty-stricken tenements he has come forth into the great world of business. In some instances he has joined the growing ranks of American millionaires. Bureaus of reclamation in nearly all branches of the Federal government

have been established to work with him in making use of the unused. He sits in council with members of the cabinet, and the National Association of Waste Material Dealers has a strong pull at Washington. The man

behind the push cart is helping the man behind the gun to win the war. The Association of Waste Material Dealers works with the United States Chamber of Commerce.

When the United States entered the war, this association, realizing the great service it would be able to render, appointed a special committee to cooperate at any time with the Federal authorities in bringing into use all of its resources, and more recently the former president of the association, Mr. Louis Birkenstein, of Chicago, has been appointed in charge of the Salvage Branch of the Conservation and Reclamation Division of the Quartermaster's Corps of the Army. He is now devoting his energies and knowledge of the waste material industry entirely to the service of his country in the matter of speeding up the collection of all junk, scrap metal, cotton and woolen rags in order that their value may be enjoyed by the nation while at war.

Mr. Emanuel Salomon, who has succeeded Mr. Birkenstein as president of the National Association of Waste Material Dealers, is authority for the statement that the total annual business of dealers in scrap metal, rags, paper and other waste material, thrown aside as useless in the daily progress of American life, amounts to considerably more than a billion dollars annually. He points out the fact that a single firm, which is a member of the national association, has an annual trade

to be converted into pasteboard. Phosphoric acid, available for plant life, is derived from bones heretofore

JUNK

A Two-Billion Dollar Industry Has Come to the Forefront for the Nation's Service as the Greatest Agency for Organized Thrift in the World

By REMSEN CRAWFORD

of \$45,000,000 in scrapped metals and junk.

In the matter of waste paper alone with which Mr. Salomon is particularly familiar, it is of interest to note that 1,840,000 tons were handled by the dealers of the United States during the year 1917. This vast quantity of waste paper, gathered here and there by the hordes of toilers in the large cities who make their living by such work, is first handled by about 600 special dealers who provide warehouses for grading and is finally disposed of by about twenty large distributing agents. It brings anywhere from \$8 to \$60 a ton on the market. Of course, a great deal of this waste paper consists of old newspapers, books, pamphlets, and the like, which is sold back to the paper mills for making cardboard. The ink is first reclaimed from the printed waste paper by means of a chemical process without difficulty or delay at the mills, and this ink is also put to use again.

The better grades of paper are made from cotton rags, including practically all the bond paper. It is a fact that linen is less used now in the manufacture of paper than ever before, due to the great consumption of it in the manufacture of the wings of aeroplanes as well as to a lamentable shortage in production. Old burlap bags, so often thrown away as useless, make a high grade of tissue paper.

Foreigners Glean Our Waste

PRIOR to the war all the nations of the earth looked upon the United States as the greatest exporter of waste material. They believed, and apparently their belief was correct, that we wasted our resources because of the reckless enjoyment of our abundance. If an American farmer wore the steel well down from a hoe, or a plow, or worked a grain separator until it became loose in its cogs and journals, or wore the teeth from a few saws in a cotton gin it was known to the world at large that he would leave the implement out in the weather to rust and buy another one. For generations it has been a practice with American farmers to consider worn-out implements of no further value when they have ceased to be of service for the purposes for which they were manufactured. How often have we seen old farm engines rusting in the weather, old mowing machines turning red in the open barn yard as we took a trip by train any considerable distance through the rural districts of our country. How little did our farmers dream that their wastefulness was well

known in such matters to the people of other countries. But, figures of exportation of waste material from this country prior to the war prove that other countries did know all about it, and were buying from our junk dealers in large quantities scrap metal, woolen rags and many other such commodities.

Germany kept agents busy in this country, when it was neutral, buying up scrap metal and woolen rags. But, things have changed since this country entered the war. The waste material dealers here have patriotically informed the authorities at Washington of the enormous values of these wasted commodities and have been cooperating to keep such things at home. Uncle Sam is regulating the junk business and protecting home requirements, as the decreases in exportation show.

During the month of January, 1918, only 412 tons of scrap iron and steel, valued at \$12,249, were allowed to leave these shores, a decrease in quantity of more than 99 per cent compared to 23,012 tons, valued at \$560,802 for the same month, 1917. For the seven months ending January, 1918, the exportations of scrap iron and steel aggregated 26,145 tons, valued at \$926,118, a decrease of 81 per cent over the shipments for the same period a year previous, which were 136,881 tons, valued at \$2,574,042. The United States Government has been the chief purchaser. One can get a fair idea of the great volume of the old metal trade when one thinks of the colossal junk heaps in the yards of railroads where everything from the size of a rusty bolt, a broken car wheel, or a locomotive boiler to a section of a bridge may be seen. Since many of the railroads are now under the direct control of the government this wasted scrap iron is taken over by the Federal authorities and an average reduction of \$1.00 per ton has been ordered in the price. Such junk is worth all the way from \$3.00 to \$35.00 a ton on the market.

There has also been a reduction in the exportation of woolen rags since the United States entered the war, for it must be noted that these old castaway patches and shreds are readily made into thread again and used in the manufacture of fine new woolen clothing. For the month of January, 1918, the figures show that only 652,844 pounds of woolen rags were shipped from this country with a value of \$70,838, while for the same month a year previous, the shipments were 1,064,362 pounds, valued at \$112,214. The domestic trade is quite active, one dealer having sold 500,000 pounds recently to local mills at 10 cents a pound.

Woolen rags have come into great use in recent years, for a process has been invented for turning them back into fine clothing for men and women. The rags are first stripped of their color through a chemical process which completely takes out the dyes. Then by a special machine the rags are "unscrambled," so to speak, or converted back to the form of

shreds, or hanks of wool. This wool is readily spun into thread again, and the thread is woven into cloth just as the crude wool was in the manufacture of the cloth from which the rag came. With these increased facilities for making new cloth out of old rags has come a great awakening in every household throughout the United States about the value of old worn-out clothing. Even on farms twenty or thirty miles from a railroad where old clothes had been given to field laborers to be worn almost to tatters and then used to rub horses, or clean machinery and eventually

in the second-hand market at around 15 cents each, while coffee and cocoa bags bring from 20 to 25 cents each.

In the cities the task of reclaiming waste material has always been a comparatively easy one. The man with a push-cart attracted attention as he passed through the streets by the jingle of his sheep bells, or the blowing of a horn, and all householders who had a tin pan with a hole in it, or had been saving up old rags would rush to their front doors and dispose of such things with business-like dispatch. The push-cart man would also visit the vacant

lots and gather in such junk as he might find there—things which had been thrown away as useless, but which were destined through the instrumentality of this push-cart man to yet figure in countless ways in the varied trades upon which the American people thrive. In the country it was different. Distance and bad roads conspired to discourage the junk dealer from leaving the town and gathering up here and there the waste of the farms. A decade ago the demand for such commodities was not sufficient to fix a price that would make it a paying business in remote rural

districts and tons upon tons of scrap metal, rags, rubber, and wooden wares went to waste annually on American farms. The increasing uses of such material have brought a marked change.

Indeed, President Emanuel Salomon, of the National Association of Waste Material Dealers, has a plan by which he hopes the waste of the farms may be brought directly and with dispatch into the service of the United States Government during the period of the war and as long thereafter as the authorities at Washington may desire. The heads of the National Association of Waste Material Dealers are seeking to arrange

with the government and the governors of the states a systematic movement to bring all waste material from the remote rural districts to the nearest railroad station where it may be purchased by experts in the trade and turned over to the government. A suggestion has been made that the governors of the states appoint a certain day, or fix a certain time limit, and request every farmer to bring all waste material around his premises to the railroad station nearest his farm, to exchange the same for War Saving Stamps or certificates. This would be a means of bringing the necessity of reclaiming all such waste to the attention of farmers throughout the country. This stupendous task of having a general "clean-up" of old junk from the farms for the government's ultimate use cannot be achieved suddenly.

But, in view of what has been said, it must be clear that the junk business these days is anything but "a side line." It is setting a swift pace in the game of national economy.

A Challenge

THE industrial output of the United States is worth forty-five billion dollars. At present thirty-three per cent of this output, or fifteen billion dollars worth of manufactures, is being poured into the bottomless crater of the volcano of war. In another year this manufacture for destruction may total twenty billions. That will leave the American people twenty-five billions of created commerce to live on, about half that of peace times.

The greatest problem then is to find ways to add to these twenty-five billions without lessening the output of military goods. The chief of these ways is to save, to check waste. This article shows how the junk business alone saves a billion dollars a year from material which the American people throw aside as useless. Two per cent of our total annual manufactured output! This shows what can be done. The junk business is organized industrial saving. Is your business organized for reduction and utilization of waste? Are your savings worth two per cent of the total output of your plant?

Two per cent prevention of waste! Gross output \$100,000; waste prevention \$2,000. A billion to the nation! Can you do it? Is it not worth trying?

thrown away, woolen rags are now carefully preserved in the rag bag and once or twice a year are sent to the nearest town where the far-reaching waste material industry has established a market. Mixed soft woolen rags bring as high as 16 cents a pound, old carpet rags, 63¢ cents a pound, and old skirted cloth of wool more than 7 cents a pound.

Not many years ago it was a common thing to see rotting along country roadsides any kind of old bags, pieces of rope, burlap and manila bagging. Little of this is now thrown away by the American farmers. The value of second-hand bags, even after they have been used to good



The worst thing about "shoddy," according to wool men, is its name. Here is some, recovered from waste rags, in the process of being put into shape to become an economical gown for the lady or daughter of the house. The rags are bleached and worked into hanks, which in turn become thread, then new cloth.

advantage on the farm, is well known to the rural citizen. The War Trade Board has fixed prices on all grades of burlap and manila hemp, and the farmers have learned that second-hand bags are worth from 7 cents to 25 cents each, depending upon the size and texture. Even fertilizer bags may be sold

Hopeless Heroes—or Useful Citizens?

We Soon Shall Have To Answer That Question: Here Is the Way Canada Solved It

By T. B. KIDNER

Vocational Secretary of the Military Hospitals Commission, Canada

IN the summer of 1915 a little stream of disabled began to flow back to Canada from Europe. That stream has gone on flowing with increasing volume, till today considerably more than twenty thousand disabled men have been returned to Canada. Provision of various sorts had to be made for them in the way of hospitals, convalescent homes and many other things. But I must give all the space possible to that feature of the work with which I have the honor to be associated, the vocational training of Canada's disabled men.

This conflict has marked many changes in warfare, but perhaps in no one respect has it marked a greater one than in the tremendous amount of attention being given in each of the warring countries to the rehabilitation of the wounded and disabled. Every nation at war now realizes that medals and pensions are not enough, but that the nation must show its gratitude; nay, more, do its simple duty to the sufferers from wounds and disease by assisting them in every way to become once more useful, capable citizens, able to participate in the full joy of living, which comes only from useful and satisfying work.

For the purposes of vocational training, the disabled from war may be divided into two categories; first, those who, after a period of treatment and convalescence, will be able to return to their former occupations; and, second, those who, by reason of disability due to service, cannot return to their previous calling.

Of course, the two categories overlap, but for the moment I wish to consider the men in the first category, namely, those who are not so seriously disabled that they cannot return to their former work.

The Small Beginning

WHEN the Military Hospitals Commission of Canada, which is the body charged by the Canadian Government with the care of returned disabled soldiers, first took up the work of vocational training for the men, a preliminary survey showed that only a surprisingly few men came under the second of the categories just mentioned. There were, however, a large number of men being cared for in convalescent hospitals who were, for the most part, idle and, consequently, deteriorating in every way. The Commission came to the conclusion that the best thing to do as a beginning was to provide some opportunities for training for these convalescents; believing that it would have a three-fold value.

First, the medical testimony was all in favor of occupation for the patients on account of its therapeutic value. Second, idleness not only breeds outward mischief, but inward trouble as well, and it was believed that occupation would have a marked effect in reducing those disciplinary troubles which are inevitable when a number of men are congregated together with time hanging heavily on their hands. Further, it would have a self-disciplinary effect on the men themselves and prevent the moral and social deterioration

which generally ensues from a prolonged period of idleness. Thirdly, it was believed that the therapeutic and disciplinary value of occupational work would be largely increased and much benefit result both to the men and the country if work and training which would increase a man's earning capacity on his return to civil life could be provided.

Accordingly, some tentative beginnings were made at two or three points in Canada and classes were established in various subjects in convalescent hospitals. Today, from coast to coast, in practically every convalescent hospital, these classes are being carried on day by day. Nearly 3400 men were under instruction on January 31, 1918.

Going Back to a Better Job

WHILE the handwork subjects vary somewhat according to the location of the hospital, there are in all centers classes in general subjects, civil service preparation and commercial branches, including bookkeeping, typewriting, shorthand, etc. In the shop-work there is usually included benchwork in wood, light metal work, shoemaking and repairing, automobile work (including, in several centers, agricultural tractor work) and drafting. In some centers, machine shop practice, tailoring, tinsmithing, telegraphy, electrical work, printing, oxy-acetylene welding, sign and ticket writing are also provided.

Where the surroundings of the hospital permit (and may I say in passing, all convalescent hospitals should be so surrounded), gardening, poultry keeping, greenhouse work and light agriculture are also given.

The work is not compulsory, but the men are encouraged in every way to undertake some form of training, subject always, of course, to the permission of the medical officer.

As for the results of this experiment, for so it was, we believe today that they fully justify the cost, time and trouble expended upon it. About a year ago, after the system had been in operation for some eight months or so, the Commission published in one of its bulletins the following testimony:

"The object and effect of the training."

"This training during convalescence is undertaken primarily for its curative value, and in that direction has had excellent effects. Men who, from the experiences they had gone through, were nervous, irritable, and out of key with a normal environment, are benefiting wonderfully from the active work of the classes in which their minds and bodies are healthily occupied. Their interest in life is re-aroused, and their ambition to succeed in civil life again is developed by the work undertaken."

"But while the work has been primarily curative for mind and body, a great many men have found the training received during convalescence to be of actual commercial value in after life. Already numerous instances of this have occurred, the following being a typical example of the help which can be given in this way. It is well known that a little skill in mechanical drawing, the ability to read and interpret a blue-print, and a

knowledge of simple shop arithmetic or mathematics, will enable the ordinary craftsman, in most cases, to become a foreman or superintendent. These things can be, and are being, imparted to men in our hospitals, and cases have already occurred in which men have returned to civil life and taken better positions than they held before enlistment, in consequence of the training given them during convalescence."

Today, more than ever, we are convinced that we are on the right lines in this respect. We are proving that the gospel of work is the salvation of the disabled man in hundreds of cases. Whatever the future may bring forth, one thing I believe is certain, and that is that neither the men themselves, nor the public, nor those responsible for the carrying on of this work will ever contemplate any slackening in it. Rather, so far as our means permit, shall we try to provide wider opportunities for self-improvement for our men during the weary days of recovery from their wounds or diseases.

But I must pass on to the men in my second category; namely, those who are so seriously disabled as not to be able to return to their former occupations and for whom it is the duty of the state to provide vocational re-education for some new occupation.

I said earlier that these were surprisingly few. In France, an estimate made in 1916 of the percentage of the wounded who would require such re-education, put it at four-tenths of one per cent of the wounded. In Canada, we have only been called upon to receive the more seriously disabled, as our men are not returned unless it appears probable that they will not be fit for active service again. But our figures are surprisingly low, and up to the present considerably less than ten per cent of the returned disabled men in Canada have been found to require re-education for some new vocation.

There are many misconceptions, not only as to the size of the problem, but also as to its nature. Nearly every person thinks of the disabled from war as chiefly consisting of men who have lost legs or arms, or been blinded in battle, or suffered other horrible mutilations from wounds. A recent official statement made in England is interesting in this connection, and should help to correct this prevailing misconception of the matter. Out of every thousand cases of disablement, 547 are cases of disease, and 453 cases of wounds and injuries. Of the latter, 30 in each thousand have suffered amputation of the leg and 19 amputation of an arm. Thirty-two in each thousand are given as suffering from "injury to eyes" (including an occasional case of total blindness).

The Choice of An Occupation

WITH this brief explanation of the size and nature of the problem of re-education, I must pass on to the question of methods of dealing with it. The first thing to be considered is the determination of the eligibility of a man for training and, inextricably bound up with that, his direction towards an appropriate new occupation.

In Canada, this has been recognized and in every district there has been formed what is termed "Disabled Soldiers' Training Board." This Board consists of a medical officer, a vocational officer and a local layman. The medical officer is selected, if possible, because of his knowledge of industries. May I say, in passing, that you are fortunate in the United States in having throughout the country a large number of industrial surgeons and physicians whose services will be invaluable in this kind of work.

The vocational officer is usually a technical educator, with experience in vocational counselling of youths and men, such as is acquired in secondary or intermediate industrial education. Not all our vocational officers in Canada had experience in technical education beforehand, for we had not enough of such experienced men to go round. Men have been found, however, amongst returned disabled officers, with technical training, who have soon developed into capable vocational officers. Of course, more than mere technical qualifications are required. A vocational officer must be very "human," and as in so many other phases of life, a good personality often makes up for a lack of training. In dealing with the disabled soldier, it is most necessary that cordial, sympathetic relations be established between him and the man who is helping him to a decision as to his future life and occupation. For this reason, the returned disabled officer or man often makes an admirable vocational officer or instructor, for his points of contact and sympathy are already assured.

The third member of the Disabled Soldiers' Training Board is a man chosen for his local knowledge of industrial conditions—usually from a group of men representing capital, labor and other social factors.

Each disabled man, on his return to Canada, is interviewed by a Vocational Officer or his assistant. If the case appears to be one which is not likely to need re-education for a new occupation, the interviewer helps and directs the man into suitable classes during his convalescence.

If, however, it appears likely that the man will be unable to return to his former occupation, a very careful survey is made of every factor likely to be of significance in his direction towards a new occupation.

His educational and industrial history are carefully noted down. His tastes, his aspirations, his intelligence and his general habits are also considered.

Examined for Pension

IN addition to the foregoing details, a careful physical examination of the man is made by the Medical Member of the Disabled Soldiers' Training Board, who determines by his examination, and with the aid of the medical records, whether or not the man can return to his former work and, if not, what are his remaining abilities. With the information, general and medical, before them, and also keeping in mind the man's own desires for his future, the Board then considers the occupations which are indicated by the evidence as being suitable for the candidate; the prob-

ability of regular employment being a prime consideration. The decision being made, the recommendations are sent to the central office at Ottawa, where they are reviewed and, usually, concurred in. If the man's condition permit, he may at once begin upon his course of training, even in the Convalescent Hospital, where he is still a soldier, receiving military pay and allowances. As soon, however, as

overcomes his handicap and increases his earning capacity by vocational training.

A few principles have been established by experience in the direction of disabled men towards new occupations. Perhaps the most important is that, if at all possible, the man's previous experience in industry should not be thrown away. The first direction in which to look is, then, either in a new branch of the man's former occupation or in some related occupation. It is not necessary to enlarge upon this detail of the proceeding, but merely to point out that many a disabled manual worker, for instance, can be trained for some supervisory work in his own trade, if unable to carry on with his manual work. If this principle be adopted, there will be less likelihood of a disturbance of the labor market, as a majority of the disabled can be returned to their own trades.

This is important, for there is a danger that because certain subjects (only a very few) can be taught in a school or technical institution, large numbers of men might be directed into them; and this brings me to my next point.

We are often asked for a list of the trades or occupations we are teaching our disabled men. Eight months after we began on our re-education cases, we had a list of some thirty-nine occupations in which men were being re-educated.

But, and this is important, over 80 per cent of the men were being trained in twelve out of the thirty-nine occupations. We had at that time less than five hundred men undergoing re-education, and as these were scattered through the various Provinces, it was not a serious thing in point of numbers, but we set out to find the reason for it. In some subjects, such as commercial work, the desire and need of many disabled men for sedentary occupations accounted for the large proportion of men taking the subject. In others, such as automobile work, the high proportion of students was also easily explained, being somewhat analogous to the popularity of electricity a few years ago.

Industries Co-operate

IT seemed, however, that the disproportionate number of men in the few subjects was chiefly to be explained by the fact that training in these subjects was easily provided in a school or institution.

Today we are changing all that, and in one city, at the end of last month, out of one hundred and sixty cases taking re-education, seventy different courses were going on. Instead of being confined to the schools established in connection with our hospitals and to existing technical institutions, we are arranging, wherever possible, to place our men for at least the concluding portion of their training in some industrial establishment. The employers and manufacturers are co-operating heartily and no trouble has been experienced with the labor unions so far. In point of fact, by adopting this method of training men, and by selecting in almost every case some other branch of the man's former occupation, we are more likely, I believe, to avoid such troubles, than if we trained larger numbers of men in fewer occupations in trade or technical schools.

Back From the Trenches

THE crippled soldier, shattered in health, incapacitated for work, is going to prove an industrial liability to this nation unless some way be found to rehabilitate him, to enable him at the same time to earn his own living, and to restore him as a useful member of society. If he be left a parasite his very dependence will tend to rob him of his self-respect. Multiply him by thousands and you have a condition fraught with every possibility of national danger.

Our men are in the fight. The question is now upon us, calling for an immediate answer. It is a thing which directly concerns every industry in this country. These men must be absorbed and used by the industries of the nation; and they must be so trained that they can be utilized.

Here is the story of what Canada is doing—vividly told by a man hot from the work.

Already the United States is acting along the same lines. A committee of forty men was recently invited to confer on the question with Surgeon-General Gorgas, so that there might be formulated a definite plan of action.

On that committee were: H. P. Claxton, Commissioner of Education, chairman; Allen Walker, Chamber of Commerce of the United States; Major W. A. King, Surgeon-General's Department of the Army; Major H. E. Mock, Surgeon-General's Department; R. D. Jones, War Risk Insurance Bureau; Dr. C. A. Prosser, Federal Board for Vocational Education; J. W. Sullivan, Department of Labor; R. M. Little, Chairman of the Compensation Commission; Judge Mack, Treasury Department, representing Secretary McAdoo; Dr. Royal Meeker, Department of Commerce; and N. B. Williams, Counsellor for the National Association of Manufacturers.

As a result the committee drafted a "Vocational Rehabilitation Bill," which is now before Congress for action. The bill provides that every person discharged from active service shall upon order of the War Risk Bureau, follow such courses of vocational education as the Board for Vocation and Rehabilitation shall prescribe and provide.

his medical treatment has reached finality, he is given his military discharge and receives a pension commensurate with his disability, which is supplemented by a special scale of pay and allowances, paid through the Military Hospitals Commission.

This last is important, for a disabled man cannot be expected to enter upon a course of training, unless he is relieved of all anxiety for the maintenance of himself and his dependents. It is not a matter of great moment what the channel of this maintenance should be, but the source should be the State and not private philanthropy. If it be the duty of the State to re-educate a disabled soldier (and I do not think any one today will question that), it is the duty of the State to take care of the man and his dependents during the period of training. In Canada we also provide for them for one month after the training is completed, so as to enable a man to establish himself.

One other point is of importance here. In each of the warring countries, it has been found that the fear that an improvement in a man's earning capacity by vocational training would reduce his pension has led to a reluctance on the part of the disabled to undertake it. France, England and Canada have all had to decide and make known to their disabled that pensions are paid upon a man's disability and will not be affected if a man

The Re-discovery of Not the Formal Listing of Land and Water, but the Study of Our Fellow-Man's Struggles and Schemes To Draw His Necessities and Luxuries from Nature

By EUGENE VAN CLEEF

Professor of Geography Minnesota State Normal School

EVERY subject in the school curriculum contributes something to the child's preparedness for life, but perhaps none offers such unlimited opportunities for gaining a knowledge of the many different associations in the business world as does Geography. Modern geography treats with the economic, commercial, political and historical phases of the life of man, insofar as these phases are influenced by the physical conditions of his environment. In other words, geography merely recognizes that we live on the material earth, and that whatever changes may occur upon it, will in turn exert their influence upon each one of us. We may be conceited about abilities; we can boast about doing things better than others can do them; we may learn to cope fairly well with many of the elements; but old mother nature still watches over us with a "big stick" and we have to perform just about as she dictates.

Geography teaches nationalism in place of sectionalism. Our country is divided into East, West, North and South for convenient reference only. The child learns that in reality all these parts constitute a unit. Everyone in the United States needs the cotton of the South; every one uses the gold and silver of the West; no one can prosper without the iron ore and the vast agricultural resources of the North; and the entire country looks to the East for its manufactures. In foreign trade, the sections become the nation. The student learns this, for example, when he traces the sources of raw materials to be utilized in the manufacture of locomotives and cars ordered from a Philadelphia firm by some foreign power. The iron ore is brought from Minnesota to Pittsburgh to be converted into the required iron and steel forms; the copper ore comes from Michigan, Montana or Arizona; the hides and wool are shipped from Idaho and other western states; cotton and fine woods are sent from the South. All of these materials enter into the finished product and the whole country is thereby represented in this single order. Thousands of other exports symbolize the efforts of the United States.

What Agents Must Learn

SOMEONE once said: "A nation before it can have a great export business must, before it exports its commodities, export its young men." That is certainly sound logic. But the young men must be trained. Economic geography and commercial geography, if well taught in

the public schools, will supply them with many of the first essentials for their work. The former reveals the resources of a country and their influence upon the inhabitants; the latter tells of possibilities of trade and traces the influences of the exchange of products upon the progress of humanity. Without such knowledge gained somewhere no man can hope to become an efficient foreign business agent.

Just now the United States is alive to the

sources of products is almost shameful." Extending the geography to the 8th Grade instead of stopping it in the 6th Grade, and employing special geography teachers who have also had some business experience, will do wonders toward alleviating any such distressing conditions as just portrayed. Then, of course, for those who are so fortunate as to be graced with a high school education more geography may well be provided.

Some foreign governments offer their aspiring youths traveling scholarships. The lucky one writes a thesis on the result of his researches, and submits one copy to the government and one to the school represented. Isn't that a splendid method for acquiring knowledge that will bolster up trade development? Just prior to the present war, a young student of geography, holding one of those traveling scholarships from the School of Commerce of Leipzig, came to northeastern Minnesota. He wanted to learn about the mines, about iron ore, and ore transportation methods. He was introduced to the officials of the mining companies and others who could be of assistance. Every courtesy was shown him. When he left for his native land he knew more about the problem than most Americans. His

FOREIGN trade is a subtle thing for many of us. It seems to have no place in our every-day lives, intruding upon us only in startling perorations at banquets or in picturesque magazine articles which set us to ransacking the attic for old geographies.

To be sure, the local woolen mill, the ancient tannery where our forefathers obtained both leather and the spent bark they used for their garden walks, and even the grist mill on the creek may have vanished, but we persist in a very satisfying sense of independence from all the rest of the world.

The cotton grower may keep his eye on Liverpool, some people who raise tobacco may watch European markets, lumbermen with access to the coasts may make their plans according to their sales in Australia or the Argentine, and merchants and bankers at the ports may have a stake in foreign trade.—a man who lives inland a thousand miles may argue,—but a country merchant or a farmer of the Middle West has no interest in it.

Like most off-hand arguments, this reasoning misses the mark. When such a skeptic grumbles at the price he pays for a gallon of good varnish he may be meeting the cost of troubles with the native New Zealanders who dig kauri gum from the earth. The price his wife pays for currants plays a part in the governmental affairs of Greece. The tobacco in his cigarette more likely than not was plucked by peasants who have been through two Balkan wars. The glass beads with which his children play were made in Venice. The carpet on the parlor floor came at a high price because bandits in western China cut off the supply of sun-dried wool. The linoleum on the office floor originated in Argentine linseed, Spanish cork, and Indian jute, combined by American ingenuity. The tin on the cans out of which the vegetables for dinner came was mined by peons in Bolivia or by coolies on the Malay peninsula. And so it goes through a great list of commonplace things. The ends of the earth, and all their political and social problems, enter into the daily life of all of us.

Trade is reciprocal, and we do our share of selling, too. It is not altogether a matter of agricultural implements, sewing machines, and automobiles, either. A farmer boy in Illinois or Missouri who toils at bringing down an oak in the wood lot would be aghast at a suggestion that he has a share in export trade. Nevertheless, staves from his tree may go directly to Argentina or France and thus help to pay for the Patagonian wool in his Sunday-go-to-meeting suit or for his mother's best piece of China.

The truth is that, although the world is quite as big a place as ever, our possibilities for transportation have made neighbors out of the antipodes and foreign trade is merely a short description for a vast complexity of neighborly activities which none of us could forego without completely upsetting our whole modern scheme of things.

possibilities of trade with South American countries. To establish that trade men must first be sent into the field. Suppose a consul goes to Brazil. He must be able to appreciate the habits and customs of the people in order to inform American merchants what classes of goods can be marketed best. He must understand the influences of climatic factors upon crops, people and trade. He must be able to advise as to the best forms of packing and the best routes for shipments. His acquaintance with the natural resources such as the forests, iron ore, copper, rubber, coffee, rice, sugar, fish, fruits, and hosts of other products, real and potential, must be thorough and exact. His ability to gain all this desirable information and to correlate it will depend upon his training in geography, it matters not how, when or where acquired.

The president of one of the world's largest pharmaceutical companies said to the writer: "We must conduct a school for our employees, for they know essentially nothing concerning the location of important cities, or the land and water routes between the great markets. Their knowledge of distance, time and direction is pitiable and the little they know of the

pockets fairly bulged with notes at the end of a couple of months of intensive investigation. There is little doubt that the merchants and the government officials of Germany are much wiser men than before the geographer's visit here. Awarding traveling scholarships to students of geography is good business. What a glorious opportunity awaits the Chamber of Commerce of the United States in offering traveling scholarships.

Consider the Date

NOT only should more geography be taught in our schools but it should be vitalized and given practical application. Young men and women will then become better fitted to enter the realm of national and international trade. Not long ago a class was studying the Sahara. The date-palm was noted as one of its plants of economic importance. The date-palm is highly valuable not alone for its nutritious fruits but also for its fibre and oils. It is one of the world's most useful of trees. It is said, an Arab will refuse \$5,000 in gold for an acre of date-garden. One bright student recalling the Southwest American Desert with its great possibilities, wondered whether dates could be



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Working in ivory is considered a religious rite in India, where the art had its origin. There the tusks of the elephant have from very early periods constituted an important article of trade. Ivory is difficult to cut, requiring for cutting the hardest and sharpest tools; but it is easily sawed or filed. Every scrap is saved and converted into ivory black or artist's pigments. African ivory is held in higher estimation than Indian even in India. In 1913 India imported over a quarter of a million pounds of ivory, most this being African. India's consumption of ivory was surpassed only by that of Germany.

grown there also. Inquiries developed the fact that experiments with the date-palm are in progress. Who knows but that this alert speculative student may some day engage in a little research himself, develop a successful date-palm in our desert "waste" and change the whole world's trade in that single item, making the United States the largest and best source of supply.

On another occasion, while analysing the conditions of life in the Tropics, the class took up the banana, for special consideration. The food value of the banana amazed them. They learned that a single tree will give sustenance to a family of 3 to 5, for years and that such a family need exert itself but little to insure it of its daily food. They were not surprised then, when told that the commerce in bananas was rapidly growing to immense proportions. The United Fruit Company controls practically the world's supply of bananas. The founders of that corporation might quite easily have gained their first knowledge of this product in a geography class and, possessed of a venturesome spirit, made for the land of this "fruit of paradise"—the meaning of its technical name—and evolved that colossus of agricultural industries that has helped many people in the Intermediate Zone (better known as the Temperate Zone) to reduce the cost of living, for the banana is still one of the cheapest of nourishing foods.

The limit of the banana's possibilities has not been reached. To-day, we are teaching the student that with wheat, potatoes, and corn supplies limited, and the population growing, other sources of starch must be sought. In the Tropics the banana may be grown in almost unlimited quantities, and accordingly this highly starchy food product may be called upon to help maintain our starch supplies. Thus, again, we have an illustration of geographic information giving rise potentially at least, to the building of still another industry. The geographic field becomes ever-widening.

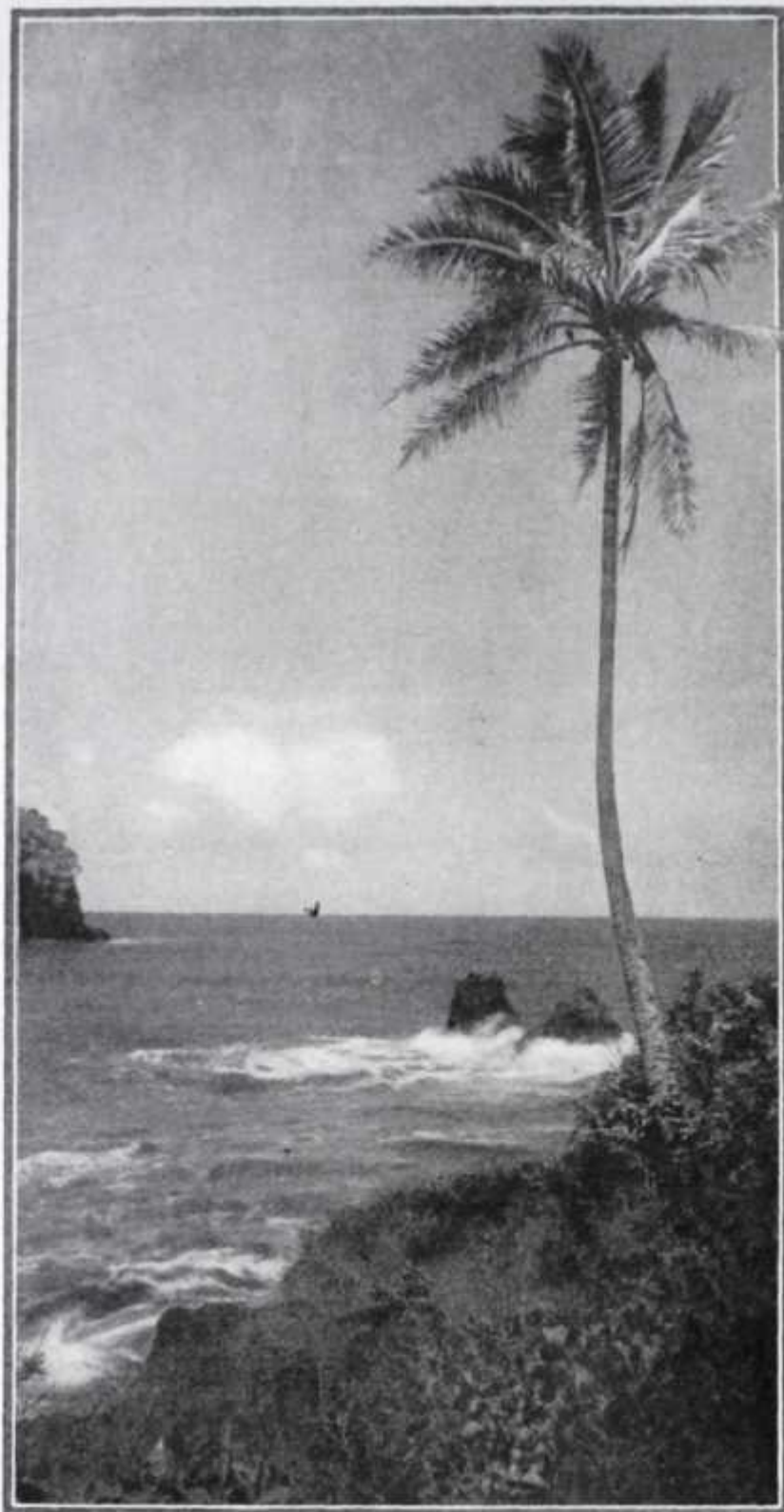
Geography teaching implies excursions and museum work. Visits to the local industrial plants will acquaint the pupil with the methods of manufacture, sources of raw

materials, and destinations of finished wares. Many a youth unconsciously determines his

grades. A man who now ranks as one of the country's leading grain exporters, when just a lad, though quite without financial resources, had visions of travel. He lived in one of the port cities of the Great Lakes, where hundreds of freighters arrive and depart during the navigating season. One

year he chanced to make his way to New York City, and there, still only in his teens, roamed about the wharves tempted to board a leviathan of the sea just to try to ride on these seemingly mysterious deep.

After his wild experiences in the country's metropolis he returned home determined to realize his dreams. To-day a fleet of boats bears his name. Think of the many aspiring boys who might be similarly stimulated to accomplish big things, because of the inspiration of a wide-awake progressive geography teacher.



Stately—and useful—the coconut palms of our Pacific possessions wave graceful welcomes to the foreign trader. Their chief business in life is to furnish copra—which is the name commerce gives to the meat of the nut. From it is obtained a wholesome fat that has become one of the chief ingredients of butter and lard substitutes. With systematic planting, these islands could furnish all our vegetable fats. Even now the Philippines' annual output of \$15,000,000 is worth one-fourth the world's production.

course in life as a result of more or less casual observation of factory processes or by reading of stories of travel and exploration so frequently associated with geography in the

manner as to assure him a niche in the hall of fame. This is the sort of work that makes for better citizenship, for better traders, for more genuine business. (Concluded on page 20)

THE school museum under the guidance of the instructor in geography has large possibilities as a means for preparing boys and girls to meet their destinies in the business world "with their eyes open." Students collect and study minerals, agricultural products, manufactured goods, photographs of processes or perhaps models of processes. These exhibits may expand to include similar materials from other parts of the nation and other countries of the earth. Comparative studies will reveal the progress of the respective nations, the things they have and those they have not, the products we can send them and those they can send us. The working museum opens up a beautiful vista before each student. The romantic stories of the reaper, the fountain pen, the cotton boll, the building of the ship, the making of a harbor, and a thousand and one other incidents in the evolution of the world's commerce and industry, must fire every youth with the ambition to utilize some phase of this learning in such a

What Congress Is Doing

A Careful Interpretation of Measures before Our National Assembly with Their Application to Our Industrial and Commercial Outlook

THE tax bill of last year became law in October, and was five months in the making. This year's law, if it runs a similar course in being constructed, will bear a November date.

Taxation Since 1913

THIS will be the fifth tax bill Congress has enacted because of the European war. In the early days of the war, revenues from imports were threatened to such an extent that the emergency revenue law of October 22, 1914, was passed, to realize \$52,000,000 from beer, wines, occupations including banking and manufacture of tobacco, and stamp taxes on a variety of things, ranging from stock certificates and promissory notes to sleeping-car berths and complexion powder. In those days, the war was in many quarters expected to end in short order; accordingly, these taxes were to cease at the end of 1915, but Congress later had to continue them, with some modifications, to the end of 1916.

Before they were to terminate, however, the law of September 18, 1916, went upon the statute book. In its time it was known as the omnibus bill, for it not only revised and increased the income tax but levied taxes on munitions manufacturers, decedents' estates, and the capital stock of corporations; sought to correct the tariff on coal-tar colors in ways that would assist American dye-makers; struck at unfair methods of competition the Germans had used in the United States against our domestic manufacturers; gave the President power to retaliate against foreign countries for embargoes they imposed upon imports of our goods, readjusted the situation with respect to importation of news-print paper from Canada, and ended by setting up a Tariff Commission, which has since come in handy in unexpected directions. This bill was expected to realize a bit over \$200,000,000.

When Congress returned to Washington in the winter it found further demands for money awaiting it, and proceeded to enact the law of March 3, 1917, to raise a "preparedness fund," which was estimated by the Treasury to be capable of bringing in \$226,000,000 a year. In this law the tax on excess profits made its first appearance among us, although it was already in use rather extensively in Europe. It was not in fact a tax on profits arising from war, thus differing from most of its foreign prototypes. It was not even a tax on profits as such, perhaps for the reason that the Constitution expressly authorizes a federal tax only on incomes; whatever the reason, the tax was imposed upon net income,—8 per cent upon the amount in excess of a figure determined by adding together \$5000 and 8 per cent on the capital invested in the business.

The Present Situation

MEMORY is so short in these times that many people have forgotten about this tax. Besides, being first levied for 1917, it never became effective; for, within a month of its enactment, the new Congress was called into special session to consider "grave matters of public policy," the whole aspect of our situation was changed by declaration of war, in

May a new revenue bill was in the legislative machine, and after five months of debate the law of October 3, 1917, went into effect, with the present tax on excess profits, which like its forgotten predecessors is tantamount to an additional tax on net income.

Since the beginning of 1913, we have had at least one new revenue bill a year, and in 1917, when we changed our position from neutrality to belligerency, we had two. Although we have in this way got into the habit of annual legislation respecting revenues, we still lack arrangements for the other side of a national budget.

Last year's bill has been called by an economist a code of federal taxation and the most gigantic fiscal enactment in history. In January, 1917, federal expenditures for the following year were estimated by the Treasury at \$1,700,000,000. In May the figure was raised to \$8,500,000,000, of which \$5,500,000,000 were to be for ourselves. By October Congress had actually appropriated \$16,900,000,000. Of this amount the taxes of October were expected to raise \$2,534,000,000, and the actual returns, as soon to be announced by the Treasury, will probably go higher. All present federal taxes are estimated to yield \$4,000,000,000.

If the present taxes are classified as some economists suggest, the proportionate levies are on:

Wealth,—i. e., on incomes, excess profits, and estates.....	74%
Luxuries, etc.,—i. e., on tobacco, liquors, etc.....	12%
Exchange,—i. e., on transportation, telegrams, postage, admissions, etc....	13%

This Year's Tax Bill

IN the spring it was generally understood in Washington that there would be early revision of the law to remove existing inequities and to impose higher rates. By April 1, however, the possibilities changed, and for a month or more, despite the course of the Treasury's statements of its condition and the known difficulty of enacting a revenue measure at the short session of Congress next winter, there was some expectation nothing would be done regarding taxes this summer.

After subscriptions for the Third Liberty Loan had closed in May, the Treasury let it be understood it considered new taxation essential. The disinclination of Congress to acquiesce resulted in the President addressing the two Houses on May 27. He urged immediate legislation in order that the taxes to be levied upon the results of business in 1918 should be known as soon as possible and the new rates be settled before the next issue of bonds is offered. He forecast correction of hardships under the present law, and dependence upon levies from war profits, incomes, and luxuries.

On June 5 the Secretary of the Treasury placed a more detailed programme before the chairman of the House Committee on Ways and Means, preliminary to its public sessions beginning on June 7 to receive suggestions. The Secretary asked that existing taxation be doubled, to realize \$8,000,000,000 between July 1 and the end of next June and meeting

thirty-three and one third per cent of the expenditures he expects.—\$24,000,000,000. This ratio of taxes to expenditure the Treasury says exists at present,—calculating our cash expenditures in the last twelve months at \$12,500,000,000,—and desires to maintain it.

War Profits in Three Countries

WITH the present tax on "excess profits," rising by steps to a maximum of 60 per cent, the Secretary expresses dissatisfaction. He wants taxation to reach war profits,—the special profits that arise from war orders and the like,—and says the present law does not reach them in an adequate degree. He thus reverts to the point which was in controversy last summer, when the Senate would not accept the recommendation of its Finance Committee, that the tax should fall on the excess of current net income over the rate of net income earned in the years immediately before the war. Our difficulty arose out of failure to agree upon the years which should, by us, be taken as the standard pre-war period, the years immediately before we ourselves entered the war or the years before 1914. There is clearly a hard question to answer here, and a question which does not exist in England, for example, where 80% of the excess of current net income over the rate before 1914 is taken, with liberal adjustments to cover depreciation in factory equipment and similar factors. The Secretary's way around the difficulties of last year is to require that a taxpayer become subject to the new war-profits tax only when it is higher than the excess-profits tax.

Germany, which has been chary about direct taxation, is this year putting its war-profits tax at 60%, but has a series of mitigations graduated in a two-fold manner with the amount of the profits and with the ratio of total business to the capital employed. These mitigations occur when a concern's profits do not exceed \$250,000; in that event, if the rate of profit does not exceed 25% and the actual profits are not over \$125,000, ten per cent of the tax is remitted, and the tax amounts to 54%. In all, there are five graduations downward, with a result that if the rate of earnings does not exceed 8% and the amount of earnings is \$50,000 or less, 50% of the tax is removed and the actual rate is 30%.

Income Tax: American and British

SEVERAL things may happen to the income tax. In the first place, the Secretary wants a distinction made between "earned" and "unearned" incomes. The former are illustrated by salaries and profits from business; the latter are exemplified in dividends and interest. England has had this distinction since 1907. On the lowest taxable income, \$655, the present British rate is the same whether the income is earned or unearned, and results in a tax of \$5, but the spread at once begins, resulting in a tax of \$101.25 on an income of \$1,500 in the case of earned income and \$135 if it is unearned, with still greater differences as the size of income increases; for an earned income of \$12,500 the tax is \$3,125, and \$3,750 if it is unearned. In other words, the normal tax rises (Continued on page 44)

A FAIR FIELD AND NO FAVORS

As Our Statesmen,
Our Soldiers, So Our Traders: No
Bribes, No Secret Bargains—Ideal-
ism in Commerce, the Open Door
Everywhere

By DR. F. W. TAUSSIG

Chairman United States Tariff Commission

WHAT are we to think of special concessions in other countries, in the form of lower rates of duty on our goods when exported to those countries, as a device for the promotion of foreign trade? Should we try to arrange commercial treaties or reciprocity agreements on the basis of assuring to American commodities lower rates than are exacted on similar commodities imported from third countries?

To simplify the matter, let us set aside all arrangements based on particularly close political ties or geographical contiguity. We have, for example, arrangements by which our commodities are admitted into Cuba at lower rates of duty than commodities from other countries. These arrangements have a political as well as an economic aspect. They were introduced and justified largely upon political grounds, indeed quasi-sentimental grounds, namely, the close affiliation between this country and Cuba resulting from our intervention in freeing Cuba from Spain. Let us set aside, also, cases in which an extended frontier leads to special freedom from duties and justifies that freedom. Such a relation exists between Portugal and Spain, or, to come nearer home, between the United States and Canada.

Cases of this kind present problems of their own, to be dealt with on grounds of their own. The question of principle may be weighed quite on its economic merits, by examining a special arrangement where there are no such complications or, rather, no such simplifications. Consider, for instance, the arrangement which we now have with Brazil whereby certain American commodities are admitted into that country at lower rates than would be imposed were the same commodities to reach Brazil from other countries.

Here the test of real effectiveness may be applied. Special favors in Brazil may enable us to sell our exports to Brazil; but they do not cause us to be really effective in serving either the Brazilians or ourselves. If our exporters cannot sell in Brazil without the discriminating rates then the exporters of other countries are obviously more effective in serving them. Our exporters then are bolstered up, not at the expense of our domestic customers or of our own treasury, as in the case of export bounties or special transportation rates, but at the expense of the Brazilian consumers. Lack of real effectiveness on the part of the exporters is made up by the exclusion of the more effective competitors. It is a case of sham effectiveness.

No Preferential Tariffs

THE governing conditions of trade in the world at large are not of the sort upon which our relations with Cuba rest. Trade in the main is a matter of material advantage. In the main we must export on the same terms as our rivals. Special favors can be justified only on the ground that the countries which grant them are willing to make a sacrifice for the sake of carrying on a trade which is not the most advantageous for them. In the long run we must rely upon real effectiveness and real service. That which is advantageous in our domestic transactions, namely, the maximum effectiveness of labor and capital in production, is advantageous in our foreign trade, both to ourselves and to countries with which we trade. Here is the only source of real benefit to all concerned, the only secure basis of a continuing export trade. To make our export trade enriching and of real national profit, we must so organize and conduct our industries that we shall make goods plentifully

and cheaply, and we must sell our goods on their merits, and on tempting terms, to every customer at the same price.

This is by no means the same thing as to adopt a policy of *laissez faire* in foreign trade. It does not imply any commitment one way or the other on the question of protection and free trade. It does imply a policy of non-discrimination, or at least one of resolvedness neither to discriminate nor be discriminated against. The United States must hold itself free to adopt such tariff policy as seems suited to its own interests. It must leave to other countries the same freedom. Whatever tariff system we adopt, we should aim to apply it without discrimination to all comers; whatever system another country adopts, we should wish that country to apply to ourselves on the same terms and in the same way as to others.

It is conceivable that a policy of this sort cannot be carried out to the full. If other countries adopt tariff legislation which discriminates against the United States, we must be prepared to apply pressure to them. We possess virtually nothing in the nature of a bargaining weapon. We should have legal provisions enabling the administration to meet discrimination by discrimination, force by force. In this our purpose should be not to put discriminations into effect, but to remove them; our goal, the open door, the same treatment for all.

To sum up: the four devices for promoting export trade considered in this and the preceding articles are export bounties, special transportation rates on export traffic, special reduced prices on commodities sold for export, and lower duties on American goods in foreign countries. Export bounties and duties discriminating in our favor are the most dubious of all these devices. Special transportation

A Caravan Resting by the
Great Wall of China

rates and special export prices, though they raise intricate questions and are not so clearly out of accord with sound policy, nevertheless have a presumption against them. In all four cases we should at the least pause, and inquire with a fair and open mind whether these several methods of action really conduce to the prosperity of the United States or the prosperity of nations.

Not only are such devices dubious, and sometimes even clearly bad, but they are constant causes of misunderstanding, suspicion, recrimination, international friction. They arouse irritation most of all when they are concealed, or supposed to be concealed.

It is not difficult to adduce cases in which there has been concealed or furtive resort to one or another of these devices. One instance has already been referred to, the export bounties on beet sugar from continental Europe. These had their origin in a drawback payment which was supposed to be merely the equivalent of an internal or excise tax, but which in fact developed into a drawback because in excess of the excise actually collected.

What is "Preferential"

A SIMILAR case has more recently been the occasion of a ruling by our Treasury Department. Certain drawback payments were made by Germany on the export of grain and flour, based not upon the exportation of the

identical materials on which the taxes had been paid (in this case import duties) but upon the exportation of equivalent amounts irrespective of identity. Our Treasury Department felt compelled to rule that a virtual bounty upon export had been paid—not necessarily with deliberate intention, but with substantially the outcome of a bounty payment.

Cases of this kind are precisely of the sort to arouse suspicion of an intent to circumvent a competitor which does not appear upon the face of the proceeding. The same is true of preferential transportation rates. They may rest on a really sound railway policy; nevertheless, when granted to export traffic, the suspicion always arises that they rest not honestly upon a sound basis, but upon something different and dubious. They are believed to evince an endeavor to outwit and circumvent, by hook or by crook, the foreign competitor.

Brazilian Policy Questioned

THE mode in which international arrangements for favors in the way of import duties are brought about may also be the cause of irritation on the part of rival countries. An arrangement is now in force between the United States and Brazil by which some American commodities are admitted into Brazil on the payment of duties lower than those applicable to commodities from other countries. This arrangement rests upon no treaty or commercial agreement. So far as

appears upon the official record, Brazil, out of spontaneous friendliness for the United States, voluntarily grants us the discriminating duties.

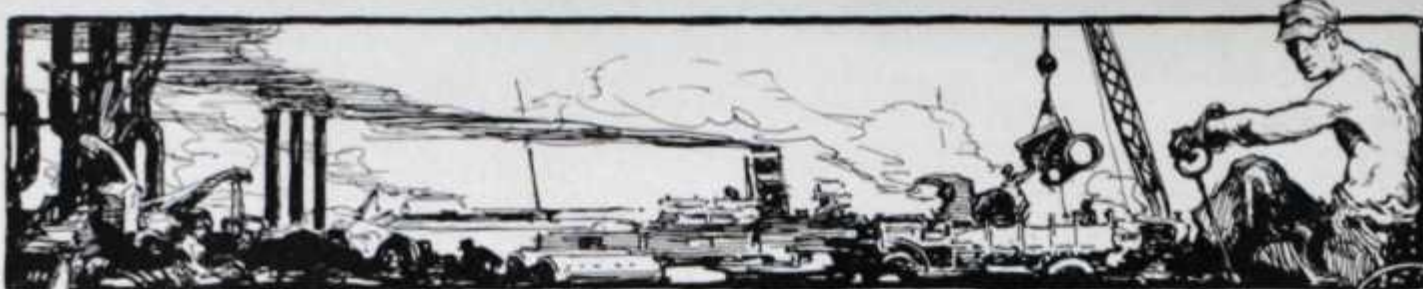
Anyone conversant with the history of our dealings with Brazil, however, knows that the arrangement goes back to a preceding period of negotiations and treaties in which we asked urgently for favors of the same sort. Whatever the formal record, it is not supposed by any open-minded and well-informed person that the favors were granted without persuasion by our diplomatic representatives. Certain it is that they are supposed by other countries to have had such an origin. We possess advantages, but do not come into the open and let it be known in what manner we secured them. Our position, at best not easily defended, is the more open to attack because believed to be not entirely straightforward.

I pass now to considerations of a more general sort. What is our present attitude in the international sphere? All relations between nations are in the melting pot. The war has opened a new era. We cannot separate our industrial and trade policy from our political and military policy. Whatever attitude we take toward the world in the larger phases of international politics must be reflected in our policy with regard to foreign trade.

One common attitude should lead us to pause and reflect. We are often told of America's opportunity. (Continued on page 38)



The Island of Malta in the central Mediterranean has perhaps enjoyed (or suffered from) a more stirring and tragic foreign trade history than any other island of its size in the world. It was successively conquered and exploited as a trade center by neolithic Africans, by the Phoenicians, those first great traders of ancient times, by the Greeks, the Carthaginians, the Romans, the Vandals, the Goths, the Arabs, the Normans, the Italians, the French. Napoleon held the island but three months. The British, helping the Maltese throw off his yoke, became suzerain of the island in 1814. During the present war it has been of great strategic importance to the British. The photograph shows the harbor at Valette.



Unracked Nuts

UNSINKABLE ships are clearly a national desideratum, no matter what Herculean successes in building vessels our Shipping Board may attain.

When the Titanic went down, the British public contributed 424 suggestions about means to avert similar disasters under any circumstances. Every boat might use "radium shots," to make icebergs evaporate instantly; icebergs themselves might wear electric bulbs; or the presence of a bishop at the launching of a ship,—if bishops were only compelled by statute to attend,—would make it immune from all perils of the sea that appeared in the winter. At least, these were the assurances which were received by officials from their fellow countrymen.

One of the volunteer witnesses before a committee of Congress has now attracted the attention of our web-footed British cousins, who say he desired to dispose of the submarine menace by the simple device of having people think with their feet; the man's idea was that a new sort of sea-going contrivance should be built,—two pontoons supporting a platform four to six hundred feet long and four, five or six hundred feet wide!

Obviously, our Anglo-Saxon friends have not yet learned to place a proper value on Yankee ingenuity.

Britain's Glass House

THE point of view is a great factor in human affairs. An official committee in England has recently considered our anti-trust legislation as the most conspicuous effort at prevention of monopolistic combination, and set it down as devoid of any substantial measure of success. To see ourselves from the other man's end of the telescope is obviously worth while, and it is quite as useful to turn the telescope around. When we have performed this maneuver, we discern some things the committee does not mention, such as the sanction of British courts for competitive acts and combinations which would be completely outlawed in the United States. Everything depends upon one's national mental slant.

The Raised Axe

REORGANIZATION of executive departments does not make great progress in visible ways. To be sure, the President on May 20 both signed the Overman bill and acted under it in making separate the responsibility for getting airplanes built for the Army, the operation of planes for military purposes, and the normal tasks of the Signal Corps in providing telegraphs, and other means for transmission of messages. Meanwhile, England has put both army aviation and naval aviation under one direction. The legal offices,—ten or twelve of them in all,—of the government were the object for the only other coordinating order that has been published. Avoidance of confusion in policies, prevention of con-

flicting interpretations of law, and unity of control in the administration of the government's legal affairs were the purposes sought, and to that end all law officers were placed under the Attorney General's control.

Although further action by the President has not occurred under the new law it is expected in several directions, and official Washington is proportionately sitting on tender hooks.

Child Labor Up To States

CHILD labor in industries cannot be controlled by Congress under the constitutional authority of the federal government to regulate interstate commerce. This was the conclusion of the Supreme Court on June 3, when with five members concurring and four dissenting it announced the result of its consideration of the law of September 1, 1916, which became operative on September 1, 1917.

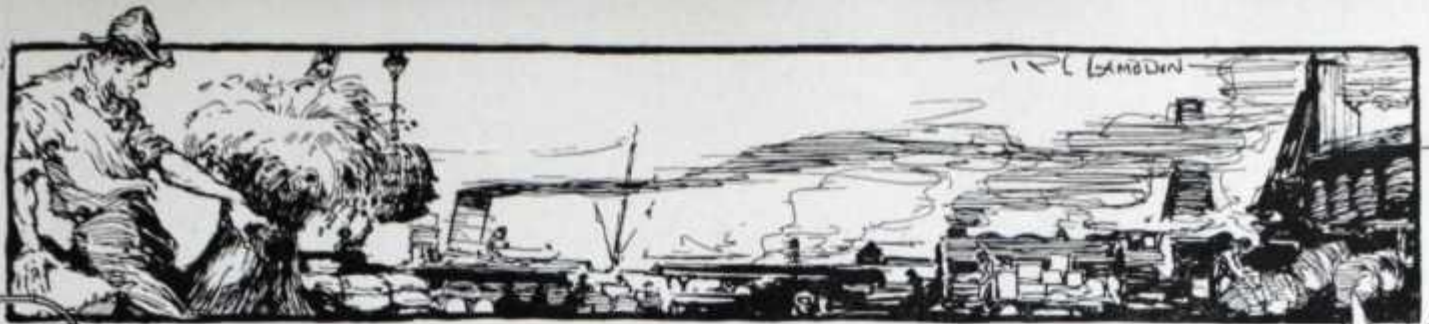
The production of articles, even though intended for interstate commerce, is a matter for local regulation. The making of goods or the mining of coal is not

commerce. Federal control affects the means of carrying on commerce. Lottery tickets, adulterated foods, and transportation of women for immoral purposes are different, since the use of interstate commerce, in the situations to which valid federal statutes apply, is necessary to the accomplishment of harmful results. These are the interpretations of a majority of the court.

Four justices took a contrary view. They argued that the power to regulate commerce includes authority to prohibit, and that as the court had said the federal government could prevent a maker of oleomargarine from coloring it to imitate butter, and could prevent state banks from issuing currency, the manufacture of goods with child labor should not be distinguished from the making of margarine to look like butter or the issue of bank notes.

Why They Keep It Dark

SECRET diplomacy, we are told in the most secretive era of the world, is a thing of the past. That all public affairs should be public is an admirable principle, but somehow that does not seem to be their nature. In a fight, with fists or sixteen-inch guns, a man can scarcely be expected to expend invaluable breath in telling his antagonist about a dislocated thumb, a creaking shoulder, or other such private affairs, especially when the other fellow maintains a deadly silence about his broken ribs and weak heart. Herein lies the reason why President Wilson, who advocates open diplomacy, has opposed the desires of certain Congressmen to legalize the public hearing of all foreign negotiations in the senate. A concluded agreement is one thing; a fight another. Tight lips are a world fashion, just now.



Where the Conscientious Objector Gets Off

THE conscientious objector whose tenets prevent him from performing even noncombatant service is not to go free. On June 1 orders of the Secretary of War indicated that he is to be kept in the military service, and assigned to a fort in the Middle West; his only privilege will be furlough without pay on condition he engages in agricultural work for a wage no higher than his military pay. Real conscientious scruples are to be respected, but pretense will get short shrift.

In England work of national importance is provided for men who are convicted by court martial of disobedience to orders because of genuine conscientious objection to military service. They receive 16 cents a day with lodging, board, and and clothing.

Our Flag to the Trades

NEW merchant boats actually put into commission under the American flag in January-May, 1918, aggregate 687,000 gross tons. In other words our shipbuilders, our engine builders, and the other men who join in the task of putting a ship complete upon the ocean, showed a greater output in those five months than in any year before 1917. Nineteen-eight had been the banner pre-war year, with 614,000 gross tons for the twelve-month.

These figures come from the Department of Commerce, which documents vessels that fly our flag. The Shipping Board has figures of its own, but by deadweight tonnage representing the cargo that can be carried rather than the space in a vessel, and consequently not readily comparable with our pre-war statistics. Counting the vessels when they were completed and delivered,—i. e., shortly before they are ordinarily documented,—the Shipping Board reports 808,000 deadweight tons for the same five months.

Widening the Draft Net

PRODUCTIVE occupation has become an object sought by the government for men of draft age but not yet called into military service. By the selective-draft law all men between 21 and 31 were made subject to military service. By administrative action, men between these ages were classified in accordance with their situations and many were placed in deferred classes on account of their circumstances. Later, Congress gave authority to draw the men for actual military service from the men who were not deferred.

On May 23 the Provost Marshal General announced that men who were not engaged in useful occupations would after July 1 be liable to lose the advantage of their deferred classification, and indicated that clerks employed in stores and other

mercantile establishments would not be considered usefully employed.

The actual amendments to the regulations became available on June 4. They indicate that the test will be whether or not the man in question is engaged in a nonproductive employment. Any able-bodied man of draft age engaged as sales clerk or other clerk in a store or other mercantile establishment is to be considered by the local board as employed in a manner not sufficiently effective, in the present emergency, to justify postponement of his call into military service. Until otherwise ordered, the local boards may not consider as nonproductive any occupations not now specified,—and the only one which is of general

business interest is indicated above. Each decision by a local board in a specific case is to be reviewed by the district board. Both local and district boards are instructed to act with sympathy and common sense, and they are to make exceptions when there is not reasonable opportunity for employment in other occupations, and when there are compelling domestic circumstances that will not permit a man in question to change occupation without disproportionate hardship to himself or his dependents.

Santa Claus Goes To War

CHRISTMAS gifts are to be discouraged this year. The word has gone out from the Council of National Defense and its advisory commission. Thrift and economy are to be the watchwords, and labor, transportation, and resources are not to go into explosive cigars and crimson ties which, the cartoonists tell us, annually make self-abasing heroes out of a goodly portion of the masculine population.

Travel in England Controlled

PRIORITIES in England have been extended to railway travel. Before boarding a passenger train, one has to tell the Board of Trade about the necessities of his case, and obtain a permit, by way of validating his ticket. Besides, if he is a commuter, either habitually or by way of convenience since Germany instituted air raids on London, the railways have been given authority to refuse him a season ticket unless he buys one for six months.

Sauerkraut is Patriotic

SAUERKRAUT can now be eaten with impunity. The Food Administration has provided it with certificates of origin and of salubrity. It will be a comfort to many to learn that its origin is Dutch, also that "kraut" is a valuable food and a medium for utilization of an abundant but perishable foodstuff. Many of our fellow-citizens whose Americanism is beyond possibility of question will undoubtedly be willing to do their share to conquer the Prussians by eating kraut.

Collecting from Pedro and Ah Sing

Mastery of the Art of Financing Foreign Shipments Distinguishes the Expert from the Mere Novice Among Exporters—Five Methods Described

By W. H. LOUGH

FINANCING export trade is a subject of very great practical importance to every body engaged in foreign trade, whether as a manufacturer, exporter of goods, banker or in any other capacity. What I have to say on the subject will be based upon investigations I have made in the last two or three years on behalf of the United States Department of Commerce, both in this country and in South America.

In the course of these investigations I have come across some peculiar and striking incidents. One of them, I recall, was in Cincinnati, about two years ago, when I learned of a shipment which had been made by one of the most important manufacturing concerns there to one of the smaller cities in the Argentine. Evidently the order had been received without any great effort on the part of the manufacturer. At any rate, he wasn't prepared to handle it. In the absence of information as to the proper means of financing foreign shipments, no steps were taken to collect the money except as in the case of domestic shipments, that is, by making out a bill and sending it to the man who received the goods down in the Argentine. That is by no means the customary method of financing foreign shipments.

The result was that after the bill had been received, which was about three months after the shipment had gone forward from Cincinnati, the recipient, who happened to be an honest man, began to look around for ways and means of paying the bill. He finally decided, there being no dollar exchange purchasable at that point, that he would pay in francs,—that was the cheapest way for him to pay,—so he purchased the equivalent amount in Paris exchange and sent it to Cincinnati. By the time it arrived, which was some months later, francs were selling at a heavy discount. If the manufacturer had taken his bill of exchange to his bank and sold it there, he probably would have suffered a loss on the shipment. The only expedient he could think of was to return the bill to his customer and request him to send back London exchange at the rate of exchange which was then current. This was finally done, about five months later, nearly a year after the shipment had gone forward.

How Not to Do It

THE financing of that shipment was probably handled in the worst way in which it could very well have been handled. The striking thing is the fact that after all the instance isn't so very far from typical. Such things, I was astonished to discover, are going on all over the country. They are going on among concerns of the highest standing and of generally high efficiency. They are going on because the people who are handling the financing of foreign shipments know little or nothing about correct methods.

Contrast that incident with the manner in which such a shipment would have been handled if it had gone out from an English or German competitor. The English or German manufacturer would have covered the shipment by a draft; and would have taken

that draft around to his local bank, and secured his money, or at least the greater part of his money, on the very day when the shipment was started. He would have been able to go ahead with the manufacture of other goods, the financing of other shipments. He would have valued such orders highly, and he would have been, as nearly all manufacturers in foreign countries are, extremely anxious to get all the export business in sight.

But the Cincinnati manufacturer isn't anxious to get more of that business. He feels that an export order is a nuisance; he feels that he is possibly squandering his money on it; he feels that way not because of any fault in export trade, but simply because of sheer ignorance of simple, practical, easily used methods of financing shipments which should be familiar to every manufacturer.

Now, of course, manufacturers who are handling a large amount of export trade are already familiar with these methods. There are tens of thousands of others, however, who might be doing an export business—a large business, a profitable business, an easily financed business—who are not doing it simply because they have never become acquainted with the methods that should obtain.

First of all let me make absolutely clear this point, because there seems to be a doubt about it in the minds of many manufacturers—the point that there must be some special method of handling the financing of foreign shipments. That is true for at least two good reasons. One of them is the mere time element involved. When you sell a bill of goods to somebody in this country, even though he may be a considerable distance away, it doesn't take long for him to receive the goods, and you will probably not have to wait more than 45 or 60 days at the most before receiving your pay. That doesn't impose a terrific strain upon the financial resources of most manufacturers. But when you make sales in the Argentine or Chili or China, the volume of your accounts receivable may easily pile up to an alarming extent.

The second point is even more important. Most of our sales in neutral markets—and from now on in European markets—are made in countries that are "capital poor." If we are going to do business there in competition with our commercial competitors, we must extend a reasonable line of credit; we can't avoid it. Exactly the same thing has prevailed in this country. Up to within recent years most shipments of merchandise, at least to the west, to the southwest and the south, were handled on long time credits. The jobber or the manufacturer financed those shipments. It is only since we have acquired a great deal more wealth that the buyer has been able to go to his own bank to take advantage of cash discounts and to make payments himself within a short time to the manufacturers. This plan does not prevail in foreign countries, and therefore we must extend a reasonable amount of credit.

That doesn't mean an unreasonable amount. There have been a great many fancy tales told about the extreme limits that were customary in the granting of credit before the war by

German firms and by the firms of some other nationalities. Those stories, I believe, are for the most part exaggerations. They are true in a few cases, but the greater part of all the international business of the world is handled on standard terms, that is, by sending a draft with the shipment, the draft being accepted immediately and payable 90 days after acceptance. There are, of course, many variations. Some drafts are longer, some shorter, some are sight drafts.

Agencies That Will Help You

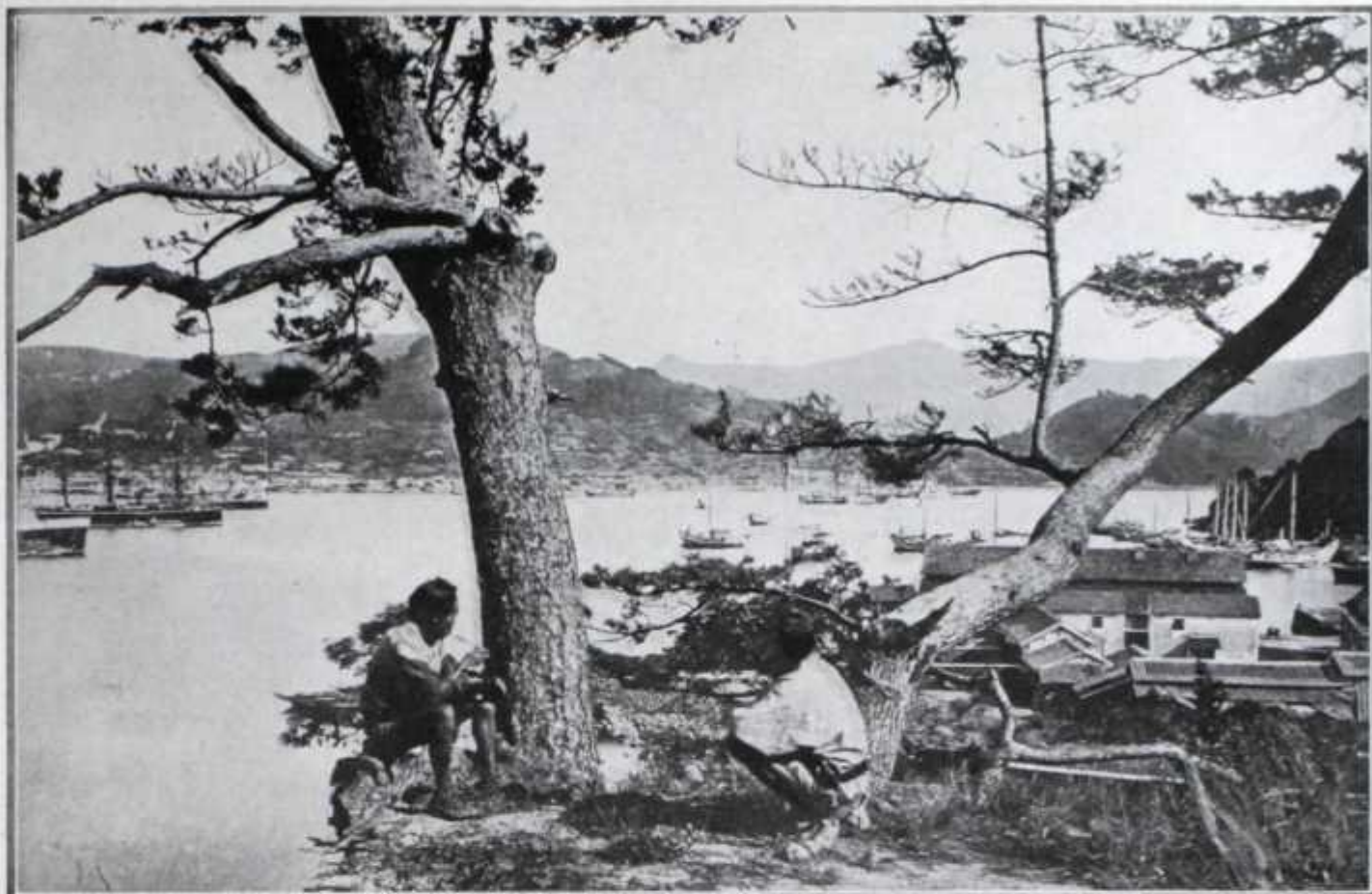
THE exporter has his choice at the present time among a number of different agencies for financing of foreign shipments. He may be in touch with the banks that have opened branches in foreign countries, and are ready to take drafts and to handle them all the way through their own branches. Among such banks is the National City Bank of New York; another bank of the same type is the First National Bank of Boston; another is the Mercantile Bank of the Americas in New York City. These are institutions that, within their fields, are equipped for handling the financing of foreign shipments in the manner in which they are handled by the great European banks that have branches in South America, the Far East and the other neutral markets of the world.

A second series of institutions consists of a number of other banks—for example, the Irving National and the National Bank of Commerce in New York and the Shawmut National in Boston—that have made a specialty of forming connections abroad, but do not have their own agencies in foreign countries.

The third class of agencies for financing foreign shipments consists of the branches in New York City of foreign banks. I am thinking particularly of some of the big English banks with their branches or agencies in New York City. While, of course, we want to do our business just so far as possible through American institutions, there are times when it may be mutually advantageous to consider also these foreign institutions, wherever they are able to give the best kind of service.

A fourth agency in foreign financing that must not be overlooked consists of one or two big express companies, which are prepared to handle shipments, take drafts, collect them, and make advances.

A fifth agency consists of some of the larger commercial houses. This is very often overlooked. Probably most business men know that the great English merchant banking houses, as they are usually called, or acceptance houses, the houses which do most of the financing of the foreign trade of Great Britain, are outgrowths of former mercantile houses. Those institutions have gradually developed along financial lines until they have in time completely dropped their mercantile and trading business and do only a financial business. A development along somewhat the same lines is starting in this country. There are certain commission houses that will handle the financing of shipments—even when



COURTESY OF THE PHILADELPHIA COMMERCIAL MUSEUM

Nagasaki is the oldest trading port in Japan. Its harbor, shown here, is remarkably beautiful. After Christianity was driven out of the Mikado's kingdom, the Dutch, maintaining a factory at Nagasaki, were the only foreigners in Japan during two hundred years. Before 1858 Japanese seeking knowledge of foreign ways and languages had to come to Nagasaki. Ships of the largest size are both built and sheltered in this harbor surrounded by quaintly wooded hills. It is also an important coaling station. Men, women and children bunker even big liners by passing little baskets of coal hand-to-hand up sloping ladders which tourists have termed "human elevators"

they do not handle the selling—where they have the right connections or their own branches and will do it, I am told, in a very satisfactory manner.

A Steady Stream of Shipments

ALL these agencies are worth investigating. Every exporter, no matter how small his exports may now be, ought to be in touch with all of them. He ought to be familiar with what they are doing. He ought to be able to use them, as he could very easily do. You will find that all of them are anxious for small business, as well as for large business, because they believe that the export trade of this country is bound to develop in an enormous way and that it is well worth their while to keep in as close touch as possible with the manufacturers who have the enterprise to begin to develop trade in foreign countries.

There are five standard methods of financing foreign shipments. The first of those methods is the ordinary open account method, simply sending forward the shipment and sending the bill along with it and trusting that you will get paid in the course of time. As I remarked a little while ago, that isn't the customary and standard method. There are certain exceptions. It is customary in dealings with Colombian and Venezuelan merchants to establish open accounts. I have been given to understand that merchants in these countries resent having drafts drawn upon them.

The second method is to send forward a shipment with draft or bill of exchange, to put

that draft or bill of exchange into your local bank, have the bank send it forward and collect the money, and when it gets the money bring it back and turn it over to you. If anybody wants to do that, of course he is at liberty to do so. I don't see why anybody should want to, because it means a long wait before he gets his money. Unless he is loaded down with cash resources that he doesn't know how to use otherwise, the chances are that he would be better off to keep his money moving more rapidly. That is a method of financing foreign shipments which in my judgment is usually used on account of ignorance and not because it has any particular advantages.

The third method, which is customary with many concerns in New York, Boston and New Orleans, and other ports where a great deal of exporting is going on, is to keep a constant stream of drafts for collection going through their own bank, with the understanding that the bank will give them an open credit up to an agreed percentage of the total amount of the drafts outstanding. That is all right for a concern that is doing a large amount of export business. The bank has these drafts as collateral for any advance it may make, a collateral that is of the very highest quality with a triple credit back of it.

There is the credit of the concern upon which the draft is drawn in the foreign country; and presumably that firm has been investigated and is known to be sound. There is, second, the credit of the concern that draws the draft

and endorses it; and that firm, of course, is well known to the bank with which it is doing business. Third, there is the shipment itself, the merchandise on the way, the title to which does not pass until the shipment has arrived at its foreign port. The draft is also at the foreign port in the hands of the banker at that port. Before the consignee gets the shipment, he has to accept the draft, and it becomes practically his own promissory note. So that you have a triple credit which amply protects the banks and provides a satisfactory means of financing foreign shipments for those concerns that are handling shipments in a steady stream.

The Standard Method

THE fourth method consists of simply drawing a draft on the consignee and selling or discounting that particular draft. If the maker of the draft is well-known and has a very high credit, in most industrial communities he probably will not have a great deal of trouble in discounting the draft, especially if the banker is acquainted with the firm upon which the draft is drawn. That is a standard and customary method of financing foreign shipments.

The fifth method, one that is growing in favor and is probably the cheapest for the shipper and the most satisfactory to the banker, consists of having the bank give its own acceptance in exchange for the draft that accompanies the shipment. In other words, the bank exchanges its (Concluded on page 32)

The Insidious Accessory

Arrived in the Billion-Dollar Class, the Automobile Enriches Those Whose Specialization in Useful Parts and Luxuries Has Made Possible Its Development

By W. W. SELLEW

THERE was a time in the memory of most of us when motor cars were called horseless carriages. They deserved the epithet because that is what they were. The manufacturer took the horse out of the front of the buggy and put an engine in the back. When these shaftless horrors went about the streets they looked as if they were searching plaintively for their lost steeds.

People who couldn't be fooled laughed at the idea of the machines ever being able seriously to compete with horses. But here and there you would run across a crank who contended that some day the contraptions would become indispensable to mankind—perhaps even to the extent of hauling his heavy freight or serving him in time of war. Such visionaries got little sympathy. They were classed with that school of idiocy which claimed that it was possible to fly in machines heavier than air.

To the great public, automobiles (accent on the third syllable) were curiosities to be viewed with fear or derision according to whether the onlooker was in front or safely to one side. The idle rich proved the possession of these qualities by affecting the wheeled novelties.

These Tremendous Trifles

THE machines were dependable in one way only—they could always be counted on to go dead in the center of the busiest car crossing in the city. When the owner got down to twist her tail, the crank resented the familiarity by kicking him on the shins with all the ten-mile power of the engine.

Motor cars buttoned in the back so that the tonneau could be sneaked up on from behind. Out for a tour in the country, the vehicle tore along at the rate of fifteen miles an hour, looking like Vesuvius on wheels, sounding like a fire in a shrapnel factory, and smelling—like Mr. Kipling's camel—"most awful vile." At its approach strong men trembled, women fainted, children ran under beds and horses forgot they were not squirrels.

But this was all away back yonder when women were wearing mutton-leg sleeves. It is a changed world. The contrast between the paralytic automobiles of the past and the sleek car of the present is a comfort to everyone concerned except comic artists and joke writers.

Motorists accept the improvements without going to much trouble to find out who deserves credit for them. Thanks for making a dependable servant of humanity out of the one-time engine of terror is due largely to the inventor and manufacturer of accessories. The basic principles of the automobile have hardly changed—it is the little extras that have made of the car an intelligent companion

that insinuates itself into your affections like a pet bulldog.

Accessories have robbed cranking of its backaches and broken arms; they iron out the roughest roads; they banish the curse of cold feet from the worst winter day; linked up with the motor they take out the responsibilities and treble the pleasures of motoring.

Traveling with its patron saint—the automobile—the accessory business has gained a position of vast importance. The owner of a motor car looking with adoring eyes on the finished product naturally assumes that the machine was turned out entirely by the plant whose name it bears. The truth is that a complete car at the prevailing low prices would not be possible were it not for the hundreds of factories specializing in particular parts which are included in the equipment.

This specialization enables the motor car maker—and the motor car buyer—to get the best possible machine for the lowest possible price. The same factor deserves much of the credit for the fact that American machines are sweeping their foreign competitors off the commercial maps.

If you must have statistics, a difficult question of classification arises. Parts and accessories are sometimes synonymous—before a car is assembled it is all parts. There is no standard meaning for accessories. What may be regular equipment for one machine is an extra

retail value of \$632,831,000. Since then the production has taken giant strides. The National Automobile Chamber of Commerce estimates the 1916 output at more than 1,200,000 machines and a rough valuation of cars and parts is \$1,250,000,000. In 1914 the tire output was \$125,700,000, and estimating on an increase proportionate with the finished machines, the 1916 tire output would come to about \$250,000,000.

It is asserted that the accessory business for 1916 yielded half a billion. This estimate is reached by taking parts as worth one-fifth of the machines and adding the value of tires.

The Truth About Horns

ONE of the widest fields for the accessory trade is among the hordes of Ford enthusiasts. In an issue of *Motor* there were 19 pages of advertisements of accessories for Ford machines. They included starters, bumpers, shock absorbers, and heaven knows what else. Accessory men say that this make is turned out in the nude and they proceed with little cries of delight to supply what has been left off. Several concerns flourish on special parts that disguise the famous Ford lines.

Now and then these manufacturers are subject to spasms of fear when reports get abroad that Ford is going to encrust his car with a few more accessories; but so far the panics have passed harmlessly over. As many factories as there are making extras exclusively for Fords, it is said that the famous little cars are being sold at such an enormous rate that the possibilities of the accessory business is just beginning to be realized.

Some of the extra equipment are mere vanities, but most of it supplies a serious need. There is a considerable difference between the uses of the iron caricature of the policeman that surmounts the radiator cap, and the electric starter. The starter saved the motorist from lame backs and fractured wrists and made it possible for women to do their own driving without having to call on passing strangers when they wanted their machines cranked.

To those who defy progress by still remaining pedestrians, horns are the most important of all extras. The first warning device was a descendant of the bicycle days. You pressed a bulb and the brass mouth responded with a mild and sonorous "Honk." It hardly could be heard above the noises of the street. The motorist demanded a sharper and more insistent noise. He got it. Inventors set feverishly to work on horns that reproduced the most hideous sounds of nature and of fancy. They aped the wail of the unhappy banshee, the lamentations of the lost soul, the death cries of the wounded pterodactyl.

The modern electric horn sends off a sharp note that stabs through the uproar of the busiest thoroughfare. Its harsh, domineering



"It is disguised with a special body, my dear Watson, but I can tell from the sound of the engine that it's a Ford."

for another. The Bureau of Foreign and Domestic Commerce classifies under "parts" all automobile pieces except tires and engines. *Motor*, one of the many big magazines devoted to this absorbing topic, classes as accessories, carburetors, battery systems, tire pumps, shock absorbers, starting and lighting devices, tires, speedometers and horns.

In 1914 there were 573,114 automobiles made in this country which with extra parts had a

discourteous tone rouses every ounce of combativeness in the pedestrian's system—but it makes him jump as he says the bad word. For a time there was a fad for having miniature church organs on the side of machines. They sent forth musical and religious warnings, but apparently they were not vicious enough, for you don't see many of them any more.

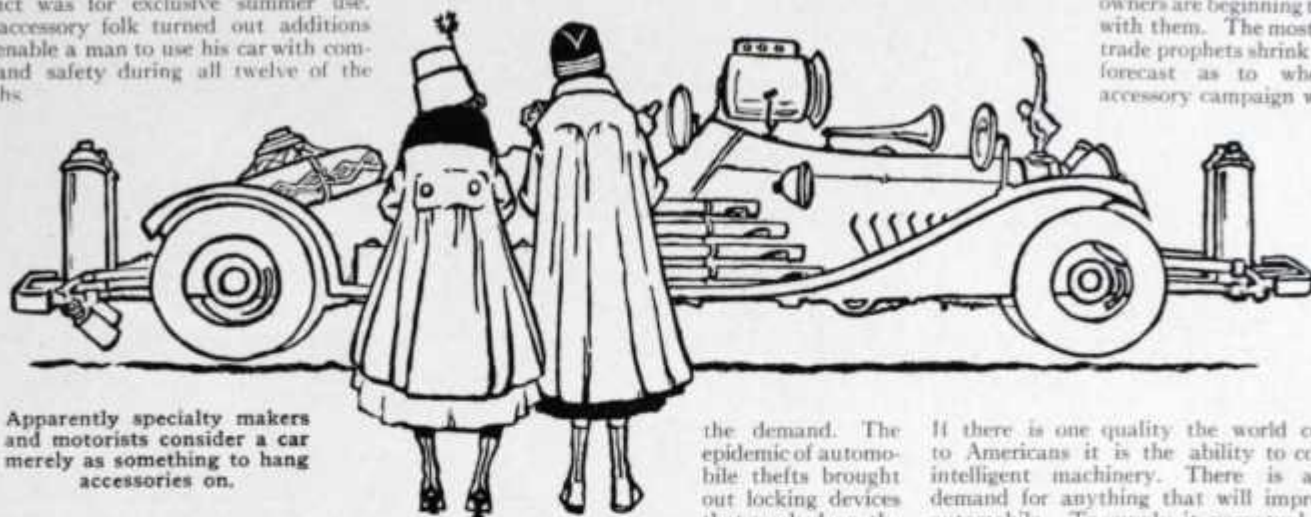
One of the first handicaps the automobile maker had to overcome was the idea that his product was for exclusive summer use. The accessory folk turned out additions that enable a man to use his car with comfort and safety during all twelve of the months.

worst features of winter driving. The solution was found in a modified type of the electric heating pad. There are two leather-covered copper grips attached to the steering wheel and containing a heating unit of fine wire. A small flow of juice keeps the hands warm and doesn't interfere with the handling of the tiller.

Practically every want has found its remedy—and in some cases the supply went ahead of

same time. One clever motorist rigged up a driver's glove on the rear of his machine and put an electric light in it that he flashed as a signal to the cars behind when he was about to turn a corner or stop. And so on to the four-hundredth et cetera.

Manufacturers of special equipment consider an automobile as a mere something to hang their products on—and judging from the appearance of certain dashing roadsters, owners are beginning to agree with them. The most daring trade prophets shrink from a forecast as to where the accessory campaign will end.



Apparently specialty makers and motorists consider a car merely as something to hang accessories on.

A pair of hot bricks served as foot warmers in the days when sleighing was at the height of its popularity. But the humble brick was plainly out of place in the lordly motor car. In the campaign against cold feet one manufacturer put on the market a little stove in the shape of a cushion. It was lined with asbestos and had a small drawer in which you burned a specially prepared cake of coal. The electric heater followed with the deluge of electric appliances and was welcomed with instant popularity.

The latest word in the tonneau stove is the work of some hater of waste. Hot gases from the engine's exhaust are piped into the body and make it comfortable in the coldest weather.

Having met and vanquished cold feet, the inventors went right ahead and did the same for cold hands, thereby abolishing one of the

the demand. The epidemic of automobile thefts brought out locking devices that worked on the order of Yale keys or that rendered the steering post immovable. Bumpers fore and aft take up the force of collisions as a sponge takes up water. Shock absorbers reduce tire bills and prevent your friends on the back seat from running their heads through the top when heavy jolts are encountered.

To meet the crusade against glaring headlights the happy accessory man was ready with dimmers and with adjustable spot lights that explored doubtful roads ahead with a single piercing bar. Short distance telephones between madam and her chauffeur tell that worthy how to regulate the machine according to her whims. Special preparations applied to windshields make the glass shed rain, snow and fog and keep the driver's view unobstructed. Washing has been improved upon by automobile unguents that clean and polish at the

If there is one quality the world concedes to Americans it is the ability to construct intelligent machinery. There is a world demand for anything that will improve the automobile. To supply it perpetual motion devotees have forsaken their hobby—it is safer not to say "mania"—and are rumpling their hair in hopes of flushing therefrom ideas for new accessories.

The writer asked a motor fanatic recently what the machine of the future would look like.

"We may expect anything from it," he exclaimed, the fire of the seer lighting his eyes. "It will be relegated no longer to a cold and lonesome garage, but will have an honored place in the family circle. On the nurse's day off the car will amuse the baby and see that he doesn't fall out of the window into the rose bushes. In twenty years we'll have a machine that will do our chores, including such vital duties as shaking down the furnace, locking the windows and putting out the cat!"

Bread Rises to the Occasion

WHEN Mr. Hoover told the bakers of the country last winter that they must forthwith begin to make their bread with twenty-five per cent substitution of other cereals than wheat the country at large thought very little of it. It created no flurry and there was much commendatory comment. The bakers would go ahead "per instructions," we'd get bread plenty good enough; and we'd send more wheat to Europe. Good!

But everyone forgot about *gluten*—everyone, that is, but the unfortunate bakers. Gluten was the rift in the lute. Bread won't rise without enough of it. Wheat has it. Corn and most other grains have practically none of it. Rye has a little. When, therefore, Ira Hanks, of Hanksville, who runs his bakery by rule of thumb and bakes his bread in the good old way, tried to take out twenty-five per cent of the wheat flour and substituted, say corn, the result was something that would have disturbed the digestion of a Harlem goat. It didn't rise. It was solid and soggy. Brother Hanks lost many a wrathful customer. People went home to roll their own. In short, none but the scientific

bakers, with modern machinery, and the technical knowledge necessary to utilize all the gluten in that seventy-five per cent wheat flour that remained, were able to make a go of it.

A Profane Receipt

THE reason, of course, was simple. Gluten is sticky. When the gas from the fermented yeast begins to generate in the dough of wheat flour, the abundant gluten holds it in; bubbles form, and the dough "rises." Try it with any cereal which lacks gluten, and it won't rise. The gas escapes.

A wheat base is therefore necessary for the making of palatable light bread. If the wheat flour in the bread be insufficient to furnish enough gluten the bread won't rise.

Fortunately, however, wheat flour contains an excess of gluten. Everyone knows, for instance, what used to happen when mother let the bread rise too long. The pans overflowed and the bread was too light. By reason of this fact, there is enough gluten in seventy-five per cent wheat flour to make a light loaf if all of it or nearly all of it be released into

the dough by breaking down as many of the starch cells of the flour as possible, particularly if care be taken not to knead the gas out by improper handling. In the words of one baker, "The call was for high power mixers that would not expel the gas. The theory was to use the dough a little 'younger,' whip hell out of it, and bake it quickly."

The tale of what has since happened as a result of the situation that was brought about by Mr. Hoover's call for bread is one of the most striking industrial stories of this war.

Because of the extreme urgency of the situation a small number of leaders in the baking industry met in Chicago in February. They brought with them practicable formulae which had been collected by correspondence from scientific bakers from all over the United States. They were designed to meet every kind of condition as to ingredients, climate and geography. One formula for all the bakers in the United States was out of the question. A dozen of the best were selected. Trade secrets were pooled. New formulas were worked out and tested, and the results were sent out broadcast to the bakers of the country.

OUR CONGRESSIONAL RECORD

IN the affairs of men there are some issues whose merits can be discovered only by the test of humor. The deliberations of the Congress of the United States are no exception. This was proven in the month of May during a debate in the House of Representatives. The District of Columbia, being privileged to have its local problems considered by the national legislative body, had become worried about its corn doctors, and a remedy for their alleged irregular practices was sought in a bill which was reported to the House by Mr. JOHNSON, of Kentucky.

Now it happens that in this bill there lurked dangers which could be exposed only by these extraordinary tests: a knowledge of philology, a sense of humor and experience with corns. The versatility of House members has seldom been better attested than in this discussion. That they are human, even painfully human at times, like the rest of us, is also demonstrated. Incidentally, the portion of the debate given here closes with another, and by no means unoriginal, addition to that ever-swelling store of exhibits of ways to win the war.

It all happened in this manner:

MR. THOMAS. I desire to know if this bill does not relate to corn doctors.

THE SPEAKER pro tempore. The Chair thinks the report will show.

MR. THOMAS. Why did not the gentleman who drew it talk English and say "corn doctors?"

THE SPEAKER pro tempore. The Clerk will read the report.

The Clerk read the report (by MR. JOHNSON of Kentucky), as follows:

"The Committee on the District of Columbia, to whom was referred the bill S. 2123, entitled 'An act to regulate the practice of podiatry in the District of Columbia,' having had the same under consideration, report it back to the House with the recommendation that the bill do pass."

MR. JOHNSON, of Kentucky. Mr. Speaker, I am informed that a number of states have a law similar to this. The committee has yielded to repeated requests of a number of corn doctors around town to report the bill with the expression of opinion that it ought to pass. With these remarks I yield the floor.

A Hot Inquiry

MR. MOORE, of Pennsylvania. Mr. Speaker, I regret that the gentleman from Kentucky has not given the House a fuller explanation of this bill. It raises a number of very important considerations. In the first place, it is a question whether the particular medical practice proposed to be licensed here should be called "podiatry," which is a term not found in the dictionary, or "chiroprody," the term which is generally applied to the treatment of the foot. May I ask the gentleman from Kentucky, in my time, whether there was any expert testimony before the committee as to the use of the word "podiatry?"

MR. JOHNSON, of Kentucky. A corn doctor in town, Dr. Rice, appeared before the committee and he said that chiroprody applied to the hand and the foot, while podiatry applied only to the foot. Like the gentleman from Pennsylvania, I could not find it in the dictionary, but I accepted the meaning of the term which he gave. He informed the committee that the medical dictionary contained the word.

MR. MOORE, of Pennsylvania. The term is not found in the dictionary to which a few Members of the House are obliged to go once in a while.

MR. JOHNSON, of Kentucky. I went to the dictionary, and I asked Dr. Rice about it, and he said it was in the medical dictionary.

Demonstrating the Fallibility of Statesmen: That a Senate Speaker Can Err, That Some Lawmakers Have Corns; and That All Is Not Grammatical That Is Heard in Congress

MR. MOORE, of Pennsylvania. I suspect the use of the new term may indicate an increase in the charges that are to be made. The old-fashioned chiropodists have fixed charges in the various cities and states where they are organized and licensed by law, and this new highfalutin name may have some hidden meaning. That is another question I thought the gentleman from Kentucky might—

MR. COOPER, of Wisconsin. Mr. Speaker, will the gentleman yield?

MR. MOORE, of Pennsylvania. Yes.

MR. COOPER, of Wisconsin. I know nothing about this bill nor who is sponsor for it—

MR. MOORE, of Pennsylvania. I was trying to get the gentleman some information. I thought the gentleman would want to know something about it, and that is one of the reasons I took the floor. [Laughter.]

MR. COOPER, of Wisconsin. I did not rise in the hope of getting any information from the gentleman from Pennsylvania. [Laughter.] If so, it would have been one of the surprises of my life.

MR. MOORE, of Pennsylvania. The gentleman is so well versed in podiatry that I presume he knows all about it.

MR. COOPER, of Wisconsin. The gentleman ought to remember that the accent is on the other syllable.

MR. MOORE, of Pennsylvania. With the gentleman from Wisconsin the accent is on the pedal extremities. [Laughter.]

MR. COOPER, of Wisconsin. If the gentleman will go back to the original Hottentot from which this was derived—

MR. MOORE, of Pennsylvania. From whom we all sprung?

MR. COOPER, of Wisconsin. He will find the proper accent.

MR. MOORE, of Pennsylvania. And it will be a pretty hot accent, I have no doubt.

MR. COOPER, of Wisconsin. I wish the gentleman would not object to this bill unless he has some good reason for not having it enacted into law. A gentleman of prominence in this town—a professional man—told me of a man who came here and began to practice chiropody, or podiatry, in this city, and very soon after he came—within four or five days—he operated upon the foot of a young man, and blood poisoning set in that resulted eventually in crippling the patient for life. This professional man told me that any quack or humbug could come here now who knew nothing about the science of the business, or anything about cleanliness, and cared less, and practice that profession; that blood poisoning sets in more frequently than people think, and that people have been crippled. He mentioned this case and told me who the man is.

There With Both Feet

MR. MOORE, of Pennsylvania. Ordinarily the gentleman has a fine sense of humor, as I have observed on certain occasions in the House and elsewhere, therefore I thought he would appreciate the vein that was developed by the gentleman from Kentucky [MR. JOHNSON], who is ordinarily well versed in corns, whether of lowly or Bourbon origin, when he flung this bill at us with so scant an explanation. But the gentleman from Wisconsin [MR. COOPER] in this particular instance has failed to rise to the real joyousness of the situation. In matters of

human sympathy, kinship with the human race, and things like that, the gentleman is always there with both feet, but on this occasion he comes to the rescue of the podiatrists with very little information, although he has stated that the gentleman from Pennsylvania would be unable to do better.

MR. HELM. Will the gentleman yield? MR. MOORE, of Pennsylvania. I yield first to the gentleman from Kentucky [MR. HELM.]

MR. HELM. Is the gentleman in position to inform the House whether this is a war measure? [Laughter.]

MR. MOORE, of Pennsylvania. That is another question I thought the gentleman from Kentucky [MR. JOHNSON] would discuss, but he did not. I yield five minutes to the gentleman from Kentucky [MR. THOMAS].

The Truth At Last

MR. THOMAS. Mr. Speaker, I am opposed to this bill. I believe we are passing too many things, too many bills, to regulate matters generally. I believe if we keep on we will be passing bills to regulate the length of feathers on women's hats throughout the country. Now, this bill, as I understand it, is what is properly termed a "corn doctor's" bill. [Laughter.] They have got the word "podiatry" in there. [Laughter.] I do not know where they got it. I do not believe they got it out of Webster's Dictionary, because I do not believe it is there, though it may be. I guess probably it is a word they coined. I would be in favor of a bill to deport every corn doctor out of Washington. I believe they call themselves podiatrists—I do not know—but because of my experience with them in the city of Washington I would willingly vote to deport every corn doctor now in the city out of it [laughter], and put them, not as captains, not as majors, not as generals, but in the front line in the trenches in France, where just as many of them could get killed as quickly as possible. [Laughter.]

I say they are a set of fakers. I say that from experience [laughter], because I have one corn—on one foot, of course; not one corn on two feet—and I have had a dozen corn doctors in this town working on that corn, and it gets bigger all the time. [Laughter.] Why, I believe I am a better corn doctor myself than any of them. All they can do in the world is to take a knife and whittle off the top of the corn and rub some grease on it, that they call ointment, and then look at you as wise as a tree full of owls and say, "It don't hurt now, does it?" [Laughter.]

Now, gentlemen, the only way and the proper way to take a corn off of your foot is to take it off all in one piece. A man who understands his business can do that, and you will not feel it. There is not a one in this town I have visited who knows anything about taking a corn out in one piece. [Laughter.] Now, they want to be examined. If they were to stand an examination and do not know any more about corns than they have practiced on me, they could not pass any sort of an examination. Why, I understand, I do not know whether it is true or not, that the corn doctors in the city of Washington are going to have introduced or have had introduced a bill to commission them as officers in the Army. Now, if you would turn loose the corn doctors in Washington on the soldiers, the American soldiers in Europe, in the front ranks, in the trenches, and let them work upon their feet a while, those soldiers will whip anything in the world, because when the corn doctors get through with them they would not be able to retreat, but would have to fight.]

Another issue, far more important and concrete than this quiddity as to right and wrong, namely, the degree of privilege of free speech guaranteed to Congressmen by the Constitution of the United States, gave rise to an

earnest discussion in the Senate. The matter was brought forward by the Senate's consideration of the investigation into the aircraft programme by Mr. Borglum, the sculptor, with the approval and support of President Wilson. Senator Brandegee expressed his sense of grievance in the following words:

Enter the "Two Spot"

ON page 6213 of the *Congressional Record*, under date of April 29, 1918, this colloquy ensued between the Senator from California [Mr. PHILAN] and me:

MR. PHILAN. Mr. President—

THE VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from California?

MR. BRANDEGEE. I yield to the Senator from California.

MR. PHILAN. May I address a question to the Senator from Connecticut?

MR. BRANDEGEE. You may.

MR. PHILAN. What is the business or profession of Mr. Borglum?

MR. BRANDEGEE. He is a sculptor.

MR. PHILAN. An artist?

MR. BRANDEGEE. He is a great sculptor, like St. Gaudens.

MR. PHILAN. Has he any qualifications to judge of flying machines?

MR. BRANDEGEE. I do not know. The President selected him and, therefore, I think probably he did not have any qualifications. [Laughter.] I do not know. Let the Senator from California go to his President and find out. I can not find out anything."

Now, I get a letter from an Assistant Attorney General, or somebody who has access to his stationery. I do not remember ever having met the gentleman, though he claims that he met me on some official business years ago. I have been informed since I came on the floor that he is connected with the customs department over in New York.

I think that is an outrage, Mr. President. If that is the way espionage and censorship is to be conducted in this country—if you can not say that you do not think the President appoints the right men to office, or that you do not think he is a good judge of men, or that you do not think the men he appoints have the proper qualifications—we may as well disband and set up a kind of a czarism in this country.

I read from the Constitution of the United States:

"The Senators and Representatives shall be privileged from arrest during their attendance at the sessions of their respective Houses and in going to and returning from the same, and for any speech or debate in either House they shall not be questioned in any other place."

And this little "two spot" presumes to question me about whether I made the remark or not, and he says he does not want to test me, but he wants to test the *New York World*. Well, he is right there in New York. Let him test the *New York World*; I do not care; but I think it is an outrage, Mr. President.

MR. SHERMAN. Mr. President, I quite agree with the Senator that it is; but I want to inquire if this is not an anticipation of the beginning of the reign of terror that is proposed under just such legislation as this; that every person who

has a seal, or has sense enough to dictate a letter to a good stenographer who can write it out legibly and grammatically, will be addressing inquiries of that kind, especially when Congress adjourns, to every person who differs from these self-constituted despots?

MR. BRANDEGEE. Why, we will have George Creel at the head of a firing squad here inside of three months if we pass this kind of legislation.

MR. FLETCHER. Mr. President, is it not also true that Senators ought to be rather careful about making statements in their places on the Senate floor about men and about officials?

What is a "Two Spot"?

MR. BRANDEGEE. The Senator must be the judge of his own conduct and I will be the judge of mine. I will make just such statements as I think I ought to make in this free democracy, and I will hold myself responsible for them to the full extent of the law.

MR. FLETCHER. I am not saying this so much with regard to what the Senator from Connecticut has said; but my observation is based upon instances where Senators have stood on this floor and made statements that in my judgment were unfair and unjust to individuals and to officials. I think that is wholly wrong.

MR. BRANDEGEE. Mr. President, I have the floor, and I say I do not care what any other Senator has said. If any Senator has made statements that were unwarranted, let him be held responsible. I have never made a statement, and I hope I never shall make a statement—I shall not intentionally do so—that I can not back up with the facts. If it has gotten so that a Senator of the United (Continued on page 36)



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Any pleasant Sunday afternoon visitors to Washington, gazing down upon Potomac Park from the 555 foot height of the Washington Monument, look upon a congestion of pedestrians and autoists such as this. War has transformed the picturesque, formerly sequestered, lanes and driveways of the Mall of the capital city into another Michigan Boulevard, or Fifth Avenue. Since we entered the war 50,000 civilian employees have come to Washington; this addition, together with families arriving, has brought the federal city into the half-million class. Luckily some 739 acres of park land, including that shown in this photograph, were reclaimed several years ago by filling in the marshy bank of the Potomac

Our Law-Abiding Alien Enemies

Distress Caused by Internment and Want of Naturalization Will Call Forth New Forms of Charity Demanding Humanitarian Breadth of Vision

By CHARLES NAGEL

Honorary Vice-President of the Chamber of Commerce of the United States

THE full significance of the statement presented at the center of this page, by the Secretary of State will probably not be appreciated until the proposed organization has been effected and some of the results are made to appear.

There are in our country several million people, who are in the eye of the law alien enemies. They have come from Germany and Austria-Hungary. Before we entered the war most of the people constituted an essential part of that man-power which we had become accustomed to receive from abroad. Barring restrictive measures which it had been found necessary to adopt for the control of certain elements, even before our entry into war, and more generally afterwards, these aliens still enjoy an uncommon degree of freedom, and are relied upon for substantial contribution in our struggle for industrial and military triumph.

It is safe to say that among these aliens the vicious and dangerous constitute a small percentage. The vast majority are not only disposed to adjust themselves to the new and unexpected conditions, but are anxious by work and assistance to justify their presence and to deserve the immunity from unnecessary hardship which they enjoy. The aliens constituting this latter class are virtually without a country. They have permanently severed relations with the countries from which they departed, and they have not established new political relations with us—generally because before the war sufficient time had not elapsed, and because since then the privileges which our laws extended to them must be held in suspense.

Evolution Into Citizenship

THE purpose of the plan as announced by the Secretary of State appears therefore to be to encourage organized interest in the well-being and control of such of the alien enemies as manifest the readiness to take their proper place in our midst. Those who for any reason or in any manner come in conflict with the laws which our Government has found it necessary to provide for our security, are, of course, dealt with exclusively by the properly constituted authority. But those who hope by their conduct to deserve and to earn future membership in our citizenship, it is proposed, under necessary safeguards, to make the immediate recipients of a thoroughly humane and practical policy.

At its inception, the plan will probably be limited to the field of charity—always with the view to aid the destitute and to make sure that what is done in the name of charity may not take on another character. The possibilities for expansion into the closely allied field of employment are, however, obvious. Whatever the extent of the undertaking, it must be manifest that the plan is suggested by the same broad and wise policy which found expression in the "Trading with the Enemy Act," the important original and even generous provisions of which act have hardly received the attentions they deserve.

What is now proposed with us has been done

patriotism. With the new arrival it is the early experience that makes the lasting impression. The inspiration of the Statue of Liberty may be lost upon him, if the treatment accorded him by Immigration Inspectors does not exemplify that inspiration. What he wants to know is whether he is to be hustled about on this side as he was on the other. What he wants to feel is that our standards are higher, and that he may become a part of a system that produces such standards. He may have to begin as a recipient. He wants to become a contributor. Guided by humane purpose and unerring judgment, the initial plan has been framed to call into play every good influence for so beneficial a result.

Perhaps it is not out of place to point to the unique opportunity for invaluable service which is here provided to those citizens of our country, who are of the same descent with the aliens now to be dealt with. Much has been said about the manner in which these citizens may or should give special proof of their loyalty. Separate declarations of allegiance and distinct announcements of principles have been suggested; all with the best purpose in the world. It will be found, however, that men and women who are really sure of themselves, not only see no necessity for such additional declarations, but feel that the acceptance of such terms would be little short of a surrender of the integrity and dignity of their position. Now that the danger of political affiliation by race distinctions has at last been recognized,—now that we all appreciate that an intensified union of our whole people is the foundation of our success now and hereafter, men and women will hesitate or refuse to take any step that will tend to set them apart in the citizenship of our country, and that may form the basis of race segregations, to be made the objects of future political flattery or denunciation.

Foreign-Born Can Help

BUT it is not asking too much of the citizenship of German and Austrian and Hungarian descent, in this hour of trial to recognize a special opportunity and obligation with respect to those aliens who may be said to have followed them to this country, in order that they might share the blessings of which their pioneers have told them. The common understanding of custom and language, the beneficent use to which the foreign press may be put—all render it peculiarly incumbent upon these citizens to (Concluded on page 41)

Announcement by Secretary of State Lansing

IN the interests of the safety and welfare of this country it has been found necessary from time to time to restrict the movements and fields of employment of enemy aliens. In some cases these restrictions have worked hardships on enemy aliens who in all respects have shown themselves friendly to the United States, but who owing to the accident of birth and war conditions have been unable to change their status as such and have of necessity become objects of charity. Likewise the families of those enemy aliens whom the Government deems it advisable to intern are often deprived of their means of livelihood and they also become dependent on the charity of others.

In order to meet this condition the Legation of Switzerland and the Legation of Sweden, in charge respectively of German and Austro-Hungarian interests in the United States, have with the approval and cooperation of this Government undertaken to systematize and supervise all the relief that may be given to needy enemy aliens, wherever and however situated throughout the country. In the case of the interned enemy aliens and their families the Legations have agreed to supply all the relief from their own funds, limiting such relief to what is found after careful investigation to be the essential minimum.

The case of the law-abiding enemy aliens has presented a more complex problem. This it is proposed to meet by the formation of a National Committee composed of American citizens which will cooperate with the Legations of Switzerland and Sweden and the consuls under their jurisdiction.

I feel confident that the intelligent and controlled relief of enemy aliens in distress in accordance with the proposed methods is a humanitarian measure in accord with the spirit in which we have undertaken to carry on this war.

in England with the approval and under the auspices of some of her most distinguished men and women. It can hardly be doubted that with the authoritative recommendation before us our much more comprehensive problem will be thoroughly and successfully dealt with.

As the possibilities of this plan present themselves, it may really develop into an Americanization scheme of first importance. The great majority of the alien enemies in our midst unquestionably came with the firm and final purpose to identify their lives with our country. The trials of their immediate position furnishes an opportunity to bind them to us by bonds stronger than could be forged under ordinary conditions. This is no time for the exhibition of false sentiment, or for the lax administration of necessary rules for our protection. But it may be well accepted as a time for the encouragement and the permanent winning of that large element which genuinely hopes to be absorbed in our citizenship. Gratitude is the foundation of devotion, and devotion to nation and to country is the life of

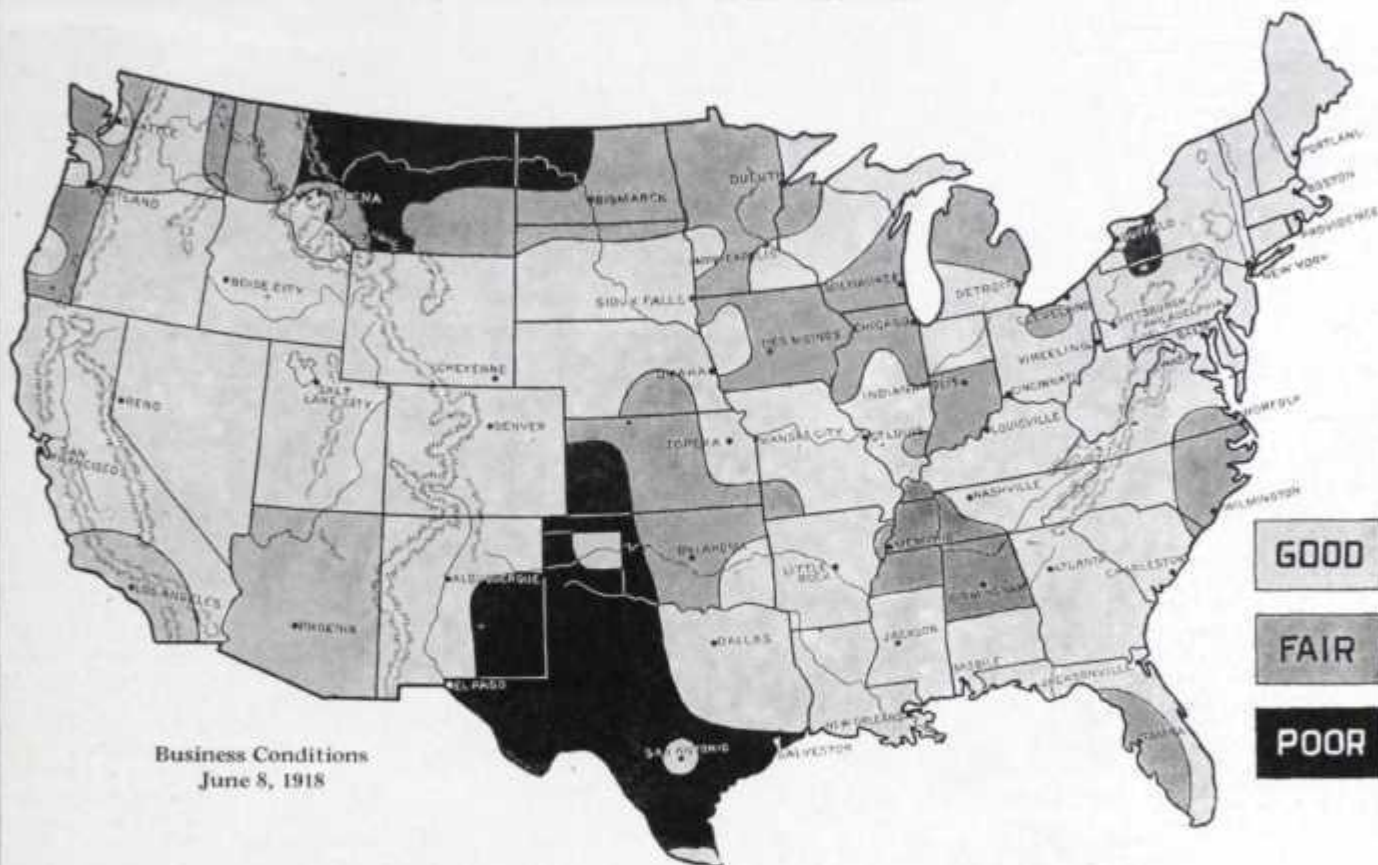
Bumper Crops in Sight Conditioned Mainly Upon the Supply of Harvest Labor

By ARCHER WALL DOUGLAS

IN the increasing stress of the troublous times which encompass us the story of the crops recalls the splendid imagery of the Old Testament, which tells of the coming of joy instead of sorrow, and of hope for the ashes of bitterness and disappointment. A long and pitiless winter, followed by a belated spring finally ushered in a summer of promise, such as has not been known for some weary years.

Winter wheat still has the lead in interest and present importance, with the promise of a yield of more than 600 million bushels, unless a continuous

of spring wheat may be an interesting mental exercise, but also may prove a broken reed to lean upon. In the life history of this plant, there is always the fly in the ointment of unexpected and sinister happenings, such as black rust, or hot, dry winds, for spring wheat has not the stamina and endurance of the winter plant. So far, however, the situation is very good—the best in many years—and only one of those unexpected happenings, which fortunately come only once every little while, can prevent a great harvest in the Northwest.



Business Conditions
June 8, 1918

wet harvest ensues. The forecast of thirty days ago in these pages will not only be fulfilled, but exceeded, for the crux of the story is an unusually high condition, which invariably presages that large yield per acre, which is the dominant factor in all great productions. With favorable weather the ultimate yield will be close to 650 million bushels as a maximum.

At this writing harvesting is in progress as far north as the latitude of the Missouri River in the State of Missouri, so that chances of possible damage by predatory insects is now practically past.

Equally cheering is the outlook for spring wheat, with a far larger acreage than last year, and a generally high condition, with an abundance of moisture in the subsoil. It is from ten days to two weeks further advanced in growth than last season, and with a far brighter outlook on what life insurance men call "the expectancy of life." At this early stage of its growth any definite estimate of the probable yield

Equally bright is the outlook for all small grains—rye, barley, and oats. The all important crop of corn has a larger acreage than seemed likely thirty days ago, and is doing well, even though somewhat backward, because of much rain and cool weather. One of the best promises for corn is the unusual care taken this year in the selection of seed. Like most progressive moves, it was forced by the undue supply of soft corn, that could not be depended upon to germinate. Experience shows that such painstaking selection of good seed usually forecasts an increase of from twenty-five to thirty-three and a third per cent production per acre over the seed sown by the old-fashioned farmer, who trusted in Providence, but failed to keep his powder dry.

It is a matter of interest that the great wheat yields are rarely followed by proportionately large corn harvests. And for the very compelling reason that the harvesting of winter (Concluded on page 45)

Collecting from Pedro and Ah Sing

(Continued from page 25)

credit or the credit of the concern that draws the draft. The bank's acceptance can be taken into the open market—at least in the larger cities, certainly in New York, where the acceptance market is developing—and can be sold there. It is a very satisfactory business for the bank because it charges $\frac{1}{4}$ or $\frac{1}{2}$ per cent for stamping its acceptance on the draft; it has no investment of cash to make and is charging for the use of its credit, which is good business from the bank's standpoint and very satisfactory also to the shipper.

Properly Trained Men Needed

THE full success of that fifth method depends upon the development of an acceptance market, which we have never had in this country. In London the acceptance market is a great element in the financial operations of the city. But in this country the open general acceptance market is just in process of development. Many of the banks are following the practice of discounting their own acceptances. This makes rather a peculiar situation, because they accept a draft drawn on themselves and then turn around and

buy that draft and count it as part of their own secondary resources. There is some dispute as to whether this is first-class financing. In any case it is being done to a considerable extent. It is fair to remark that it is done in foreign countries as well as in the United States.

There we have the fifth method—a method which I believe will grow very rapidly. I don't express that as my own judgment, but as the judgment of financial experts and bankers of the highest standing. It provides an adequate system for financing foreign shipments even for the occasional exporter and it is certainly an excellent system also for the man who is doing a great amount of export business. It is a scientific, practical and attractive method of financing. As a matter of fact, it puts you on a much better basis than you are when you make a domestic sale. You can turn over your capital and make it move rapidly.

There have been three important handicaps in times past to the development of export trade. One was the lack of merchant ships. This is going to be overcome as one of the incidental results of our having entered the war.

The second handicap is the lack of properly trained men—men who are able to handle

foreign business in a sensible and efficient way. That handicap is being overcome through the study of sound principles and methods of handling foreign trade. In many communities throughout the country, under the auspices of various chambers of commerce, there are large bodies of business men who are making a systematic study of these plans and methods.

It's Up to the Trader

THE third handicap has been lack of proper financial facilities. So far as the facilities themselves are concerned, the lack has now been largely met. It has been met through the enterprise of those banks that have gone abroad and put in their own branches, and by the Federal Reserve system with its provisions for banking acceptances and for the financing of foreign trade.

Now, the need remaining is to make sure that everybody interested in export trade understands just how to use those facilities to the best advantage. If he does, the financing of his foreign shipments will hereafter be, not merely on a par with financing of domestic trade, but it will be on even a far better and more satisfactory basis—a basis which will enable him to push ahead with the greatest possible speed.

Our Friend the Goat

After Years of Ridicule and Neglect, the True Value of the Poor Man's Cow Is Recognized by Californians Who Have Founded an Industry on Its Products

By MONROE WOOLLEY

THOUGH the goat walked through the history of ancient times with much dignity and great honor, few shreds of either remained when the ruthless American humorist got through with him. It is true that the older countries still regarded the stubborn and sardonic little animal with an affection that came from gratitude. But this feeling has until recently remained on the other side of the Atlantic.

For us the goat was a bearded and homely beast used extensively in the mysteries of secret orders, and one that scorned all foods except lurid theatrical posters, bits of old rope and rusty tin cans.

It may be that this campaign of defamation and slander is what kept Americans from appreciating sooner the true nature and value of the goat. Now that the hills of Harlem flourish with a rank growth of apartment houses and the joke maker has turned to suffrage and war, it looks as if the goat might again plant his cloven feet on the eminence that once was his. For we are re-learning facts that were old in the time of Moses.

Getting the Baby's Goat

GOAT milk is milk with the microbes left out. Therefore, for the sake of the babies of the land, if for no other reason, it should have been popularized and exploited long ago. This milk has for ages been a favorite article of diet in many European countries, and Americans who have lived in "goat lands" prefer it, especially for use in coffee, to cow's milk. You may not like it the first time you try it (you may not have liked green olives the first time) but you can cultivate a taste for it.

It remained for Americans to solve the difficulties of condensing and canning the milk.

The canned product means more goat dairies, less disease, better babies.

That last is a message of the goat to the mothers of America. Goats are immune to tuberculosis and a lot of other maladies which attack the cow. From the standpoint of nourishment, their milk ranks next after that of the ass, and the milk of that animal most nearly approximates human milk. A famous physician, a specialist in diseases of children caused by malnutrition, who holds a record for number of cures, always prescribes goat milk instead of the prepared "baby foods."

What every mother knows or should know is that the milk fed to her baby has nearly all to do with its health and growth. Realizing this, western industry has set itself to getting goat milk into cans for the use of those who cannot have goats of their own.

What is believed to be the biggest goat industry in the world has been founded, and is now in operation, in Monterey county, California, near King City. In King City is the only goat-milk condensing and canning plant in existence. The ranch is stocked with the finest Swiss and Nubian goats, and only help familiar with the goat and its care is employed. All the milk produced is canned. This is necessary because the goat cannot be depended on for a steady supply of milk at all times, as can the cow for the larger part of the year. Due to this peculiarity, or until a breed can be developed of better qualities, goat dairies not canning their own supply of milk cannot be ordinarily profitably operated. Of course fresh goat milk is better for invalids and babies than the condensed product, but since a steady supply of the article cannot be guaranteed the year around by any dairyman, the canned article is the logical outcome.

Thus, "can it while it's coming" must be the motto on the goat dairy.

The goat has very truthfully been said to be the poor man's cow. A good grade goat costs less than a cow to begin with, and it eats less. It requires less room and causes less trouble. Capraculture, the science of goat raising and breeding, is bound to become popular with us, just as chickens and sheep and pigs have jumped into favor in the past. Eight goats can be kept for the cost of keeping one cow. This means much to the little-lander, and if he hasn't the means to go in for a condenser, the milk can be marketed most anywhere at twice what cow's milk brings. The cow, provided she is a good milker, produces three times her weight in milk annually. A well-bred goat will produce twelve times its weight in milk in a year. And anyone who keeps live stock can keep goats to advantage.

Hats Off, Gentlemen!

FEMININE genius is behind the King City venture. It was Mrs. Margaret Goodrich, authoress and society leader, who first took a lively interest in goats at the Panama-Pacific fair in relation to the reduction of infant mortality and furnishing a nourishing diet for invalids. After making a thorough study of infant ills and goat milk at the Fair, Mrs. Goodrich became identified with the Widemann Goat Milk Company at King City. The practical management of the big California goat dairy is also in the hands of a woman, Miss Irmagard Richards, a Stanford University graduate. Before taking up the work at the King City ranch, Miss Richards had a ranch of her own in Arizona.

There are no less than 3000 goats of high-grade breeding on the Widemann ranch, and,

in time, the herd will be one of the largest and finest, if it is not so already, in existence anywhere. The ranch area totals nearly 3000 acres of hillside range. A series of alfalfa flats produce ample food for winter use. An abundant supply of pure water, necessary in any live stock venture, comes from the San Lorenzo River which flows through the property.

The goats get a daily ration of ground alfalfa, cocoa meal, oats, bran, barley and linseed meal. The buildings, such as shelter sheds, milking barns, and hospital, are as commodious and sanitary as any such structures found on regular dairies. The does have individual stalls or pens at kidding time, and the milk herd is always kept away from the main herd. Under no circumstances is Mr. Billy allowed in the milking barns or with the milk-producing does, due to his habit of imparting offensive odors. The Nubian buck is said to be less objectionable in this respect than any other, and for this reason this breed is sometimes preferred to the Toggenburg buck.

The milking barns each accommodate about 400 females. The animals stand on platforms and are kept in confinement by stanchions the same as cows are in ordinary barns. They are fed from spotless mangers, flushed daily, as they are milked. A goat barber is employed to give the goats "feather-edged hair-cuts" when their hair gets too long. This precaution is taken to keep the milk clean. The milkers are also garbed in spotless white.

The goat milk is taken every morning fresh from the ranch by automobile truck to King City. Here it is condensed by evaporation. The fresh milk is heated in large kettles to 160 degrees Fahrenheit.

It is then conducted to a vacuum pan. About 50 per cent of the water is taken from it, after which it is quickly cooled and canned.

After canning, the milk is subjected to a steam bath in an air-tight drum at a temperature of 200 degrees Fahrenheit. This is known as the sterilizing process. This opera-

tion is followed by labelling the cans and placing them in cases for shipment. The milk is put up in 11 ounce net cans, and retails at 20 cents, or more than double what larger cans of condensed cow's milk retails for.

The milk goat industry is a thriving one in the west. It has followed on the heels

transport 50,000 of the animals from an island off the coast of Mexico. It was said that this enormous herd had been purchased by a California capitalist.

There are two traditions to account for the presence of so many goats on the Mexican island of Guadalupe. One is that an American

warship in the 'Fifties left a couple of goats there, and that the present population grew from this original Adam and Eve of goatdom. If this is true, the herd cannot be a blue-ribbon taker, owing to the imperfections of inbreeding. The other tradition is that Spanish *padres*, in the days when the Mexicans flourished in Lower California, planted the goats on the island, beginning with quite a large herd.

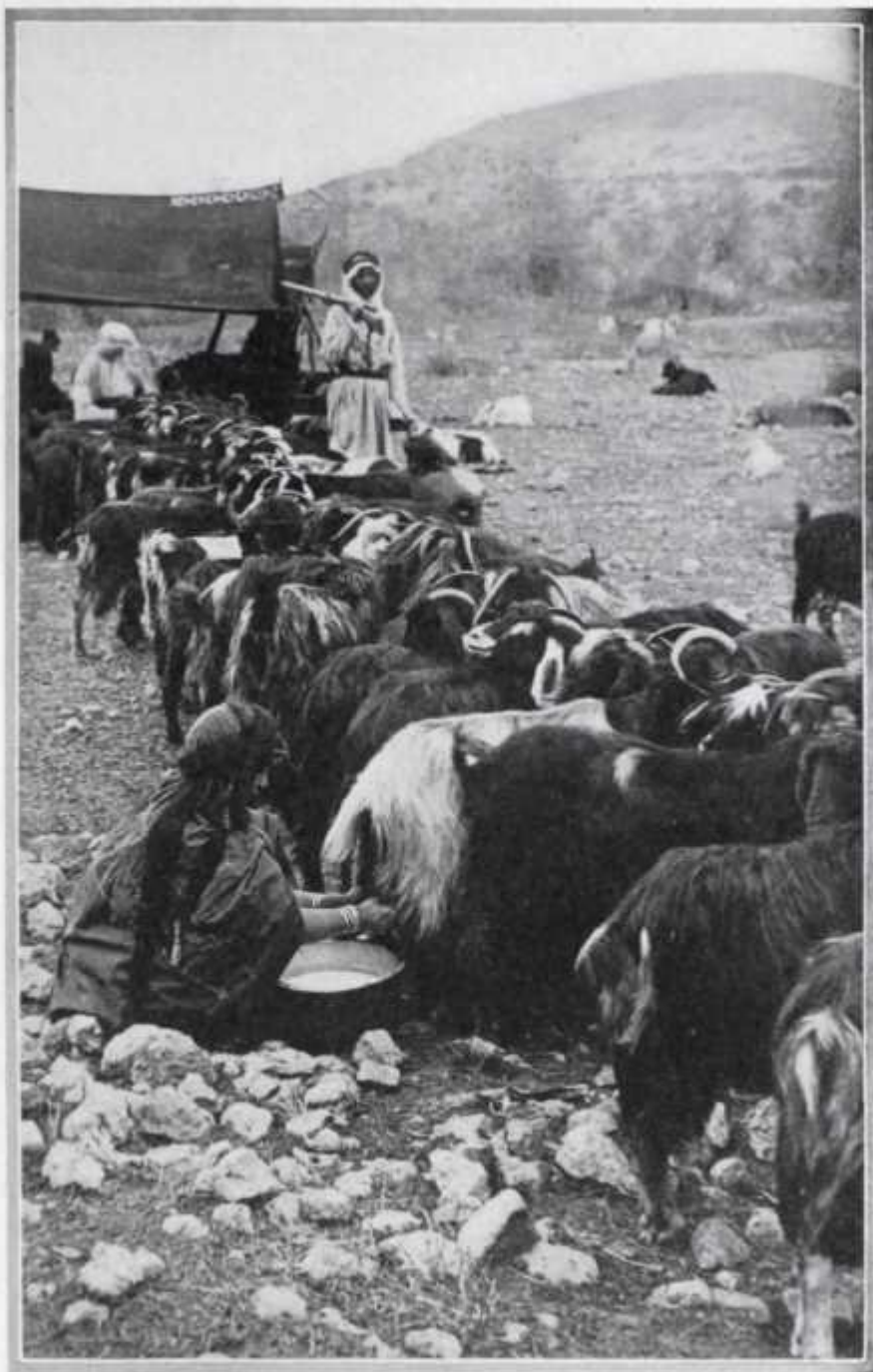
It is said that 400,000 goats were marketed last year as mutton. From this statement, evidently all of us are not specialists in meat as a diet. The deception might hurt us, but never the meat. Young kid, properly cooked, is on a par with lamb, and while Nanny fills the milk cans and the baby's bottle, as the goat industry grows along with ever-soaring meat prices, Nanny's male off-spring is more than likely to find its way into the baking pan.

Goat milk to-day is something of a luxury. It is likely to remain a luxury for some time to come, pending the growth of the industry. A western authority estimates that an exceptionally rich acre of land can be made to support 25 goats, with a ration fed to them at milking time, and sometimes twice daily. Goats like a great variety in green food, but all successful goat raisers feed some sort of a grain ration in addition.

The period of lactation in goats is uncertain, as has already been stated.

But cases have been known where a doe has been milked for upward of two years before again breeding.

The Toggenburg is the Holstein of the goat kingdom and the Nubian is the Jersey, the former giving the most milk, the latter the richest.



UNDERWOOD AND UNDERWOOD.
He may possess camels, oxen and asses, but the Bedouin depends largely on the lowly goat for his living. It thrives on desert pastures where other animals would starve. From its hair, tent and coat cloth is woven, its skin makes water bottles and churns, its flesh supplies meat and its milk furnishes cheese and butter. The invigorating and refreshing buttermilk is the most wholesome drink one receives in Arabia where it is called "Allah's greatest gift to man." The woman in the picture is the sheik's wife. It was an unusual honor for the photographer to be allowed to snap the lady, but from the attitude of the husband in the background, it is evident that entire trust did not go with the permission.

of the Angora goat-wool industry, and has already engulfed its forerunner. There are many goat dairies in the west, and the number is increasing. Not many months ago the schooner Mary Dodge arrived at San Diego with a cargo of nearly 2000 goats on the hoof. The vessel had a contract to



DIRECT, by mail. The words are familiar to every maker and seller. They mean the saving of time, of talk, of traveling salesmen and of countless minor expenditures. Given, the expert writer of letters that appeal, and the expert designer of printed things that also appeal, and the follow-up system at its best, and both are in the market:—add duplicating and addressing machines and a clerical staff, and you are ready to put knowledge of your goods into the minds of countless purchasers. You bring their buying power to your very door, though they themselves are at their homes and in their shops in a thousand towns and cities scattered all over the world. All this is possible and all this is actual,—if you have the right mailing lists. The mailing list and the mail order have revolutionized much of our distribution method in recent years. The revolution goes on. The keenest advertising minds are guiding it. No wonder the "Mailing List" is of intense interest to the "Man of Business."

We tell here of mailing list sources. Some readers will know them all, and more. Our own experience goes to show that many do not.

Many methods of securing names of prospects are in use. Often the list is built up slowly through reports of salesmen, from replies to advertisements, from directories and from lists bought from list brokers and directory houses. The directories needed are not always accessible. In many cities directory libraries are made by directory publishers. These are usually open to list makers on payment of a certain sum per hour. They have lists in stock and sometimes they make lists of special kinds, at varying prices.

Public libraries begin to see the value of directories to the business people of their cities and are making collections of them, especially in the larger cities. Some libraries provide typewriters, free of charge, for list making and addressing.

Books on Lists

"A Directory of Mailing Lists," obtainable in book or pamphlet form, telling where to get them and their cost," compiled by William S. Thompson and published by Putnam, 1917, \$2.50. The product of years of search for printed mailing lists. The vast number of lists available in printed form, at a low price or free, which this book reports will surprise many. It tells where to get them and the approximate price. Also it gives many valuable suggestions for securing other lists, general and special. It has a very complete index and is a key to lists for every kind of demand. Here is a section of the index:

Hancock County, O., credit rating book, 73.
Handbag mfrs., 216; retailers, 216.

A White List of Business Books

The Mailing List

By JOHN COTTON DANA

Harding County, O., credit rating book, 73.

Hardware, associations, 59-61; department stores handling, 117; dealers, 7, 117; dealers of, the Carolinas, 119; dealers carrying sash, doors, and blinds, 145; jobbers, 117; mfrs., 118; 134; merchants and importers, foreign countries, 117; N. Y. exporters of, 117, 118; retailers, 118; South American importers of, 171; table and cabinet mfrs., wholesalers, 98, 117, 118.

Harness, buyers, 120; department stores handling, 120; exporters, 120; retailers, 120; leather tanners, 29; mfrs., 29, 119; trade, Canada, 120.

Hartford, Conn., blue book, 21.

Harvard law school graduates, 143.

Hat and cap, importers, 52; jobbers, 30; mfrs., 49, 52, 212; retailers, 52.

Where To Get Names

SALES Promotion by Mail, how to sell and how to advertise: A handbook of business building, Putnam, 1916. \$2.00. The first chapter, How to Compile a Mailing List, gives sources from which names of prospective customers can be found, under such heads as the following:

For Real Estate: including allotment promoters, exchanges and rental agencies.

Sources of names:

Real Estate transfers.
Taxpayer's list.
Payroll sheets.
Visitors to office or property.
Locational and trade directories.
Members of clubs, lodges, etc.
Householders not on tax duplicates.
Wedding announcements.
Other news items and daily papers.

For Manufacturers, including selling through salesmen, canvassers, dealers, exclusive agents, jobbers, and direct by mail.

Sources of names:

Inquiries from general advertising.

Classified trade directories.

Lists furnished by local representatives.

Salesmen's reports.

Clipping bureaus.

Trade publications.

Members of trade associations.

Locational directories and yearbooks.

Mercantile and commercial directories.

Many helpful suggestions follow each list.

"Preparation and Care of Mailing Lists,"

a working manual that covers every phase of list handling, from obtaining names of

Live Prospects without advertising for

them, to handling lists economically and productively," by W. K. Page, published by the Addressograph Company. Contains many suggestions on getting names from such sources as customers, dealers, R. F. D. carriers and drivers on wagon routes.

"1600 Business Books," compiled by Sarah B. Ball, published by the H. W. Wilson Company at \$1.50. An index to directories and other material at the Business Branch of the Newark, N. J., Public Library. Gives a list of many directories arranged by subjects, and of sources of lists of trade and professional associations.

Local Lists

THE directory is the main source for local names and addresses. Few realize how much information other than names and addresses may be found in it. The classified business section is a guide to classes of people interested in special articles. The list of corporations gives names, officers and often the directors. Apartment houses, office buildings, principal clubs, associations, etc., in the city; city, county and state officials; justices of the peace, notaries, civic and other hospitals, civic institutions, building and loan associations are here listed and are often useful guides.

Social "blue books" are published for larger cities and give the names of householders of means and of all members of their families. Many blue books give lists of residents arranged by street numbers, as do some city directories.

Telephone books and especially the selected and classified telephone books issued by Reuben H. Donnelly Corporation, 633 Plymouth Court, Chicago, are very valuable.

Partnership and corporation directories, published for larger cities, give officers and directors, board of trade membership lists, lists of commercial and social associations and clubs and of building and loan associations may generally be obtained from their respective secretaries.

Names of automobile owners can be had from the State Departments and are often published in local commercial papers.

Nation-Wide Lists

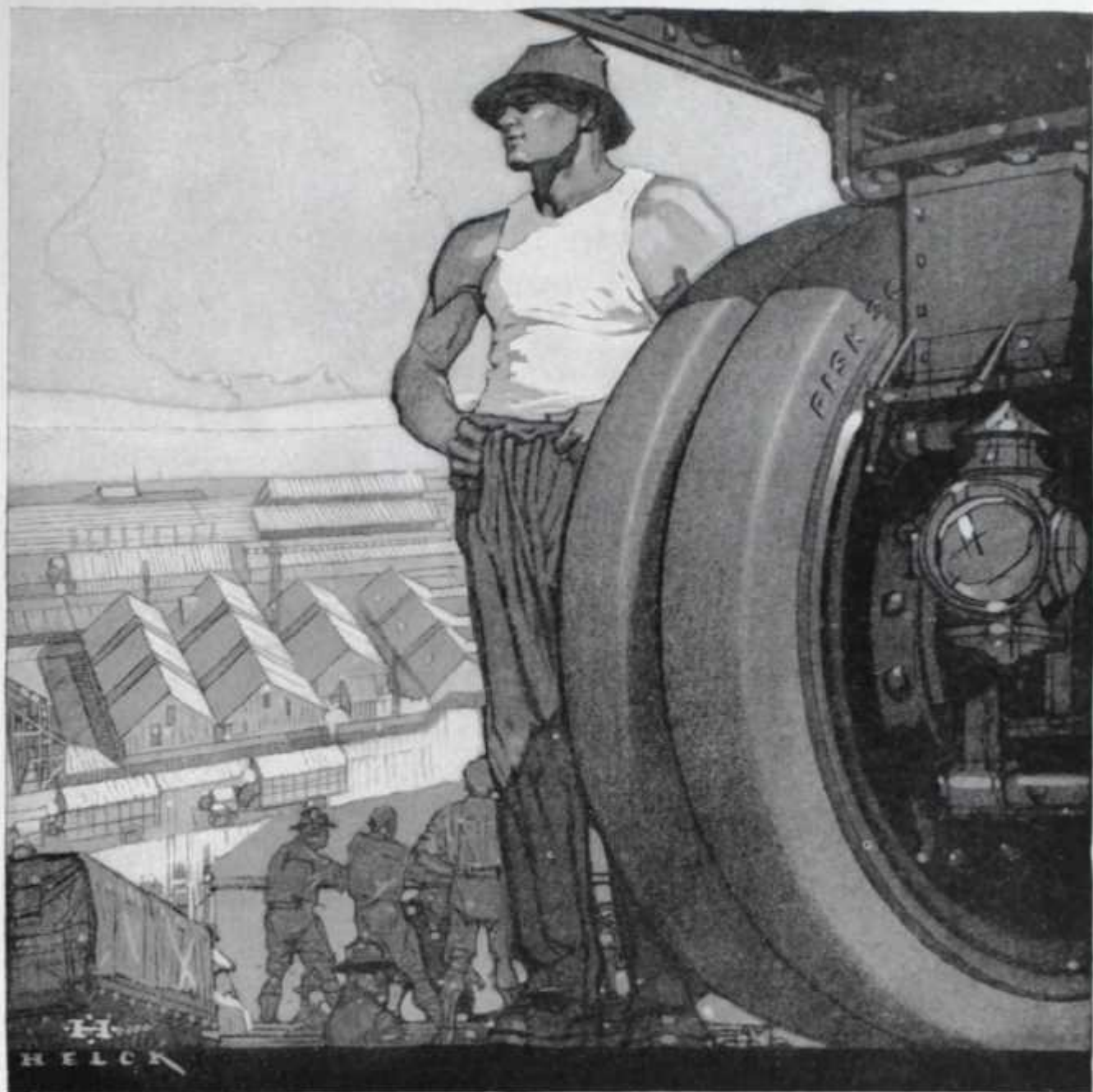
THE rating books of Dunn and Bradstreet are of course used by their subscribers.

Books like Thomas' Register of American Manufacturers, Hendrick's Commercial Register, Poor's Manual, Moody's Manual, and trade directories of specific industries, give lists of such groups of possible buyers as the following, which is a section of the index to directories, at the Business Branch of the Newark Library, which appear in "1600 Business Books":

Actuaries	Blast furnaces
Admiralty lawyers	Bleacheries
Agricultural implement mfrs.	Bloomaries
Asylums	Boat builders
Automobile mfrs.	Boiler makers
Awning mfrs.	Booksellers
Bank directors	Box mfrs.
Bank examiners	Brass goods mfrs.
Bankers	Brewers

(Continued on page 42)





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 New York
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 Detroit
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 Toledo
 Continental Motor Corp.
 Detroit
 Armour & Company
 Chicago
 and request details



From Dept. P

Mercury
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 CHICAGO U. S. A.

Our Congressional Record

(Continued from page 29)

States can not stand on this floor and give utterance to his honest opinion in respectful language, differ as he may politically or in any other way, without being called down by some Creel bureau or some little, miserable magazine scribbler, all of whom are on the Creel pay roll now—all the muckrakers are there—if it has gotten to that point, why, let us dissolve this Government and set up another bolsheviki outfit.

MR. THOMAS. Mr. President, the Senator says he is responsible for all the statements he makes upon the floor.

MR. BRANDEGER. I am.

MR. THOMAS. I have no doubt that is true; but I wish to ask him what a "two spot" is. [Laughter.]

Amateur parliamentarians with any experience in presiding at democratic assemblies are well aware of the many pitfalls lurking in the rules set forth by Roberts and the traditions established by Speakers Reed, Cannon and Clark. It should be a comfort to some of them to learn that even so astute and experienced a parliamentarian as Vice-President Marshall, President of the Senate, can at times find himself forced to admit that he was attempting to do the un-do-able. Here is what happened in the Senate:

The VICE PRESIDENT. The Chair is of this opinion—the Chair will state it all again—the Senator from North Carolina [MR. OVERMAN] rose and suggested the absence of a quorum. The Chair said he would take judicial notice that there was a quorum present; that was the exact language. There was no objection made—

MR. BRANDEGER. Does the Chair think that was a legitimate parliamentary ruling?

The VICE PRESIDENT. No; the Chair does not think so; the Chair ought not to have done it, but the Chair did do it.

MR. REED. Mr. President, I was in the Chamber giving reasonable attention, but before I had any time to understand what had taken place the roll call proceeded and the Senator from Arizona [MR. ASHURST] had voted on the call of his name.

The VICE PRESIDENT. If this has to be a personal controversy between the Chair and the Senator from Missouri, it will be. There was no appeal from the ruling of the Chair; the request was then made for the yeas and nays, and the Senator from Missouri voted to second the request for the yeas and nays.

MR. REED. I desire to say—

MR. ASHURST. I rise to a point of order.

MR. REED. I desire to say, as a matter of personal privilege, and the highest personal privilege—

MR. ASHURST. I make the point of order that nothing is in order at this time except a declaration of the result or the excusing of a Senator from voting.

The VICE PRESIDENT. The Chair has already ruled on the point of order, and has overruled it.

MR. REED. And, as a question of high personal privilege, I want to say to the President of the Senate, for whom I have the utmost respect, that he was never more mistaken in his life than when he states that I voted in favor or held up my hand to second the demand for the yeas and nays. He is simply in error, because the roll call was started before I was really aware of the fact. Now, I want to say, solely for the RECORD, and then I shall take my seat, that no Senator is obliged to be standing on guard lest a rule should be broken, a rule that has long been held to be sacred. That rule, if I may be pardoned for just a moment, is:

"If, at any time during the daily sessions of the Senate, a question shall be raised by any Senator as to the presence of a quorum, the Presiding Officer shall forthwith direct the Secretary to call the roll and shall announce the result, and these proceedings shall be without debate."

But since the President of the Senate has stated that his action was irregular, and therefore

I take it it can never be employed as a precedent, I do not desire further to insist upon the point.

The VICE PRESIDENT. Well, now, the Chair has tried for five years to be a decent, respectable, and fair presiding officer for this body—

MR. WILLIAMS. Mr. President—

The VICE PRESIDENT. Now the Chair is going to take a hand. The Chair did a thing he had not any right to do, and every Senator knew that the Chair had not any right to do it.

MR. OVERMAN. Will the Chair allow me to say a word?

The VICE PRESIDENT. The Chair respectfully requests unanimous consent at the hands of the Senate to set aside this roll call and all that has occurred and to let him order a call for a quorum.

MR. OVERMAN. I do not object to that, except that I wish to say—

MR. WILLIAMS. I object; and, if I am in order, I wish to state why I object.

The VICE PRESIDENT. There is an objection. The Senator from Missouri has withdrawn his appeal from the decision of the Chair. On the amendment of the Senator from Georgia the yeas are 37 and the nays are 41. The amendment is rejected.

In the years to come text-book writers and historians will undoubtedly write endless pages expounding the this or that concerning the Overman Bill, which passed Congress in May and which gave the President authority to readjust and centralize the various departments intrusted with the prosecution of the war. Senator Williams of Mississippi declared that the purpose of this law was to enable the President to put round pegs in round holes and square pegs in square holes. Use of this figure of speech again impelled Senator Cummins to pair himself in debate with his colleague from Mississippi. He said:

I listened yesterday afternoon to the daily lecture of the distinguished Senator from Mississippi [MR. WILLIAMS]. He delivers it about the same hour every afternoon, and I think he ought to introduce some variety into the homily which he addresses to the Senate. It is very clear to me from his eloquent speech that he knows a great deal about a great many things, but his observations demonstrate with perfect clearness that he does not know anything whatsoever about the bill now under consideration and upon which we are to vote. Contrary to the advice and injunction of the orators of the ancient times he is insisting upon making a certain illustration, which he constantly uses, immortal by making it eternal. It has been brought before us so often that I feel that I must give very brief attention to the subject of holes and pegs.

Undoubtedly it is true that there are square holes and round holes in the executive departments. Congress made these holes, some of them round and some of them square, and I assume that it did it with reasonable intelligence; but I should like to ask the Senator from Mississippi, if he were here, who has selected the pegs which are filling these round holes and these square holes?

MR. FALL. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (MR. JONES, of New Mexico, in the chair). Does the Senator from Iowa yield to the Senator from New Mexico?

MR. CUMMINS. Certainly.

MR. FALL. Does the Senator know of any law which requires the President of the United States to select for either a round hole or a square hole a peg with a wooden head? [Laughter.]

Unknown to many people of the country the recent months of legislative debate have brought out some extraordinary pronouncements concerning the time-honored Pork Barrel. Senator King, of Utah, on May 18, in a lengthy attack on rivers and harbors

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Our Congressional Record

(Concluded from page 36)

appropriations declared that to continue the old system of Pork Barrel appropriations at this time would be unpatriotic and further characterized it as "iniquitous, unscientific, wasteful, extravagant, demoralizing, and destructive. We should conserve our resources and devote all the means at our command to the prosecution of the war," declared the Senator. "Not one dollar should be expended that is not needed, and river and harbor appropriation bills should wait until more vital questions are settled and determined."

Barbs of wit were aimed in the same direction by Senators a few days later. Said Senator Longworth:

Mr. Chairman, I am a little surprised to hear my friend defend this policy of lump-sum appropriations, particularly in view of the fact that I have listened for so many years to his eloquent argument in favor of the appropriation for that beautiful river, the Tombigbee.

MR. CANDLER, of Mississippi. I am in favor of the largest lump-sum appropriation which the Government will give for that purpose and which the gentleman from Ohio will lend me his transcendent ability to obtain. [Laughter.]

MR. WALSH. As a war measure?

MR. LONGWORTH. I have always supported consistently the gentleman's appropriations intended specifically for the use of the Tombigbee River; but I would not support, and I do not think the gentleman would ask me to support, a lump-sum appropriation to be expended by the Secretary of War, who, perchance, in his wisdom might see fit not to give any portion of that appropriation to the gentleman's river. Therefore I am surprised, as I say, to hear the gentleman advocate what I regard as practically an indefensible matter, namely, the making of appropriations in lump sums for the Government service. [Laughter.]

MR. CANDLER, of Mississippi. I am always for the Tombigbee, and I do not want my good friend to ever give me out on that great enterprise. I invite his help and assistance, and together we will yet improve that great river and preserve the commerce of the Nation. [Laughter and applause.]

The readers of the Congressional Record throughout the country are not the only people

delighted by the examples of genuine literature sometimes to be found in its pages.

Witness:

MR. MADDEN. It may be that what is said on the floor of the House is not always important, and perhaps in many cases it is not. If it is not worth preserving, of course the thing to do is to do away with the reporters.

MR. BUTLER. To do away with the Record.

MR. MADDEN. And if you do away with the Record you will of course do away with the reporters. That might possibly be a good thing to do, but we shall never do that; and if we are going to insist upon having what we say reported written out, and handed back to us for revision in 5 or 10 minutes after it is spoken, then we ought to furnish the kind of facilities that will enable the reporters to give us what we want [applause], and you can not furnish that in a haphazard way.

Here is a case where we hear an objection to the expenditure of a needed small sum of money to furnish information to Members, whose speeches are rewritten by the reporters in nine cases out of ten, because if they were taken down and transcribed literally, and sent to the public in that form they would in many cases be a sad mess. [Laughter.]

Long Live the Reporters!

I am glad we have a fine lot of reporters here and that they have a lot of expert transcribers, because as the manuscript comes back to us it looks like a literary gem compared with what it was when it was uttered. [Applause.] So I have some sympathy with the demands of the reporters, because they have made it possible for some gentlemen here to appear in the role of polished orators, when sometimes they have not uttered a sentence grammatically correct in the course of what they had to say upon the floor. They have been thought to have some literary ability, due altogether to the fact that the reporters know what words to use when Members fail to use the right words. [Applause.] Of course, there are exceptions to that rule; but there are some people here who use worse English than I do, and I think in the interest of good order and good custom and good grammar and in the interest of spreading the impression among the people to the effect that Members of Congress are really what they are not, why, we ought to pass this resolution without any further talk about it. [Applause.]

A Fair Field and No Favors

(Continued from page 21)

of the opening for American trade and American exports by the ousting of the Germans and the crippling of the European countries which are our allies. We have a chance to establish ourselves it is said. Let us oust our rivals, push our trade, get a firm footing, hold our gains after the war.

Much of the language used in this connection has not a pleasant or a generous sound. It suggests a spirit of rejoicing at a chance to hit one's rival when he is down. We are urged to take advantage of the misfortune and weakness of others, to establish ourselves in their places in such a way as to prevent them from having any opportunity thereafter. We much resent such an attitude when we suspect it in the case of another country. Should we not sedulously refrain from manifesting an ungenerous attitude ourselves?

The Golden Rule Applied

THE war beyond doubt will alter seriously the old currents of trade. The force of habit is strong in commerce between nations as it is in commerce within a country. Many

trade arrangements of the past have maintained themselves largely by inertia. The war necessarily brings a shock, and makes new combinations possible.

The situation is not dissimilar in our import trade. There, too, the war has precipitated a change. Some commodities formerly imported into the United States may never be imported again. In consequence of the cessation of imports, goods formerly imported have been made by domestic producers who may hold their own, even without any changes in our import duties, when peace has once been restored.

As regards exports also, it will probably turn out that some commodities, of which the foreign sale has been suddenly and even dramatically stimulated by war conditions, will continue to be exported after the restoration of peace. All the ties and traditions of former times have been broken. The opportunity is open to all, the field is free. But let us enter it as a free and open field, and not endeavor to make it a closed field of our own. Let us rest our forward endeavors not upon



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A Fair Field and No Favors

(Concluded from page 38)

the misfortunes or weaknesses of others, but on our own inherent strength. Let us ask no favors, let us use no unfair or deceptive devices. Let our true strength be revealed, not our weaknesses concealed and overcome by artifice.

The reflections on our general attitude, combined with a rational conception of the significance of foreign trade and of the best ways of promoting it, lead to two fundamental conclusions. First, we should rest competition in the international field on the effectiveness of our industries. We should stand for open, honorable rivalry. The extension of our export trade should be based upon effectiveness in service—on well-paid labor well-applied, and on serviceable goods produced cheaply and offered to all on the same terms.

We shall exchange goods profitably with other countries if the profit and the benefit of others is no less than our own. And this result is achieved, to repeat once more, not by bounties, not by special prices, not by overt or furtive discriminations in our favor, but by the plain and fundamental fact of doing our work well and doing a service to others.

Second, our international policy should be frank and open, and in commercial matters

that of the open door. The open door policy it need hardly be said, means that we wish no special favors for ourselves, and oppose special favors to others. We have adopted it and followed it unflinchingly and without qualification in the Far East. There we have maintained that the United States and other nations should all stand upon the same footing in economic and financial competition. We believe that all negotiation should be simple and straightforward, and that the outcome should be the establishment of the same terms for everyone. We wish a fair field, an honorable rivalry.

It is our pride that in the Orient we have nothing to conceal, nothing to explain, nothing to apologize for. Our policy in the Occident should be no less the cause for a just pride. We wish for no discriminations in our own favor, we are opposed to discriminations in favor of others. We stand for open dealing, open diplomacy, open commerce. Our democracy is idealistic; our international aims are idealistic; our trade policy should no less rest upon ideals.

EDITOR'S NOTE—This is the third and last of a series of articles by Dr. Taussig on the economics of foreign trade.

The Re-discovery of Geography

(Continued from page 18)

men, for stronger international leaders.

Current literature carefully selected may be made a significant factor in impressing the realities of economic and commercial geography upon the mind of the youth. Here is the opportunity to apply to everyday life the principles set up in the daily lesson. He learns that when he talks commerce and industry he speaks not mere fancy but fact a few extracts from THE NATION'S BUSINESS will show the application of current literature.

Even the study of a country's climate may be made interesting and pertinent if the student knows that thereby hangs an enormous commercial possibility. In this instance THE NATION'S BUSINESS would tell him that "the north of China has such extreme climatic conditions that the population is discarding its native shoes and adopting leather shoes and boots. Think of 400,000,000 pairs of feet in China! At the present time China imports only 200,000 pairs of shoes annually, of which only a very small amount are American made. With the rapid adoption of European customs this trade should amount to millions a year."

A Leavener of Prejudices

AND, having been fired with the thought of business in that country, he is told by the same magazine that successful foreign business in China is not conducted direct but through a Comprador, who is "a complete encyclopaedia for any sort of information concerning the trade of his country and how it is conducted. The comprador can tell you how to get a shipment by rail, river, canal, camel and cart into the vague country along the border of Turkestan. Besides this, he keeps a finger on the pulse of the always feverish political conditions in his country. In introducing Chinese merchants who trade with his *hong* he becomes responsible for them and can be held for losses that may come through dealings with his proteges."

Geographical study of Siberia, brought to

the attention of the student of geography, would contradict many of his ideas of that vast country. It is almost certain that he would never have thought it a promising field for the sale of American refrigerating machinery. Yet reference to THE NATION'S BUSINESS would not only state the fact but make it cling to the memory with this practical illustration.

"Sixty per cent of Russian and Siberian eggs fall from grace through lack of cold storage facilities. Only in such great towns as Petrograd, Moscow, Bukhara, and Odessa are there any refrigerating plants. Cities of 30,000 and more all over the empire are without any sort of artificial refrigeration. In realizing the need for these plants, you must get the idea firmly fixed in your mind that the climate in large productive areas of Russia and Siberia is as hot as Florida during much of the year. Now it would certainly seem to be profitable trade reciprocity if we were to buy eggs from Russia and sell in return American refrigerating appliances which could more than double the value of the output of the industrious Slav hen by saving the eggs now wasted."

Incidentally here is one of those many instances in geography where prejudice may be effectively erased. Geography is a magnificent leavener of prejudices. It teaches respect for the people the world over for it acquaints the child with the works and skill of all men and causes him to appreciate that "there are others" who do things.

If the schools of the country will introduce geography into the very lowest grades, continue it through the 8th grade, on into the High School and then into the University where it is now fast gaining prominence, the child will be assured a better chance for success in life. Let specialists be employed as teachers; let them vitalize the subject by correlating it with the affairs of the day, and geography will go on duty along with the 3 R's in the critical work of preparing the student for the nation's business at home and abroad.

Our Law-Abiding Alien Enemies

(Concluded from page 30)

embrace the opportunity of this situation; and to attest their own loyalty by guiding into the path of steadfast citizenship, by counsel and by example, those aliens who have come among us, and who, sooner or later, in one way or another are destined to become a part of us. The outlook for self-restrained democracy throughout the world is not altogether assuring. Every thoughtful observer must admit that there will have to be more guidance and less obstruction. Much may be said to and done for several million aliens who are now on the road to the naturalization office.

One more suggestion. Immigration is virtually at a standstill. After the war some countries may for a given period prohibit emigration. What may be the effect upon us industrially is not here the question. Presumably it will have at least the one good effect to have us not only preach, but also exemplify the dignity of labor. Politically speaking, this situation will, however, give us a chance to make a new start. With respect to our whole population we will be in a position to determine who wants to join us and who is fit to join us as citizens. Then it will be for us to say upon what considerations, industrial and political, future immigration will be controlled.

Commissions Help Hoover

FOOD products and the commercial articles that are made from them became subjects for investigation before the Federal Trade Commission, by reason of an order directed to the Commission by the President in February, 1917.

Money was not at once appropriated by Congress, however, and the investigation did not get under way until the end of last summer.

The first report growing out of the investigation went before the President in April. It dealt with milling and jobbing of wheat flour. It found some defects in the present regulations of the Food Administration and made some recommendations, suggesting that the control of prices for flour would be much simplified if the mills were grouped by regions and by size, and a maximum price for flour in each group were set at such a figure as to include cost of wheat, expenses of production and sale, and a fair profit. Public knowledge of these prices would serve to check attempts to obtain excessive prices from consumers. Incidentally, it was made known that a special committee, under the leadership of the chairman of the Tariff Commission, was studying the Food Administration's regulations of millers with a view to revision in the next month or two.

The whole field of production of foods is to be covered by instalments, according to the Commission's plan. On June 5 it issued a summary of another report it has placed before the President, dealing this time with the canning of fruit and vegetables. In this industry the Commission wants improvement in the methods of financing operation, standardization of contracts under which products are distributed, standardization of grades and labels, and regular collection of data by a federal agency.

So far as these reports have been made public, they are summary in form. They disclose little of the details upon which the conclusions are based, and clearly do not approach a census of the industries which are in question.



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A New Channel For War Credit

(Concluded from page 9)

A MISTAKEN notion concerning the law was that it was intended primarily for the relief of public utility corporations which are hard put to refund maturing obligations. To the extent to which public utility companies are necessary or contributory to the prosecution of the war they are one class of industries to which the law is applicable, and in the measure in which a deserving public utility company is unable to get needed assistance from banks, it comes under the "exceptional case" clause.

The Corporation has no authority to make loans except upon adequate security, and the inability of a utility company to earn a sum at least sufficient to pay its fixed charges, taxes, maintenance and repairs, is taken to be conclusive evidence of the inadequacy of its own obligations as security. Many utility companies, before they satisfy the Corporation in the matter of security, will have to obtain permission from the proper authorities, state or municipal, as the case may be, to increase their rates. Permission was granted, for instance, by the Public Service Commission of Missouri to the St. Louis company, the security above mentioned, to which a direct loan was made, to establish a six-cent fare.

Security Rates

BANKING institutions which have outstanding loans made after April 6, 1917, to going concerns doing war work may borrow, for periods not exceeding five years, from the Corporation up to 75 per cent of the face value of the loans. The bank gives its promissory note, secured by the note of the industry to which it has lent, together with whatever securities have been deposited with it.

If the banker should wish to borrow 100

per cent of the face value of the loans, he will be required to furnish, in addition to collateral security equal to at least 33 per cent of the amount to be advanced by the Corporation.

Banking institutions which since April 6, 1917, have extended financial assistance to war industries by the purchase of their bonds or other obligations, may secure advances on these obligations from the Corporation up to 75 per cent of their value at the time of the advance, as determined by the Corporation, or up to 100 per cent by the deposit of additional security, as in the case of advances on loans.

A War Measure Only

THE Corporation is authorized to make loans for periods not exceeding one year to savings banks, trust companies and building and loan associations, on the promissory notes of the borrowing institutions backed by securities worth at least 133 per cent of the amount lent. In the case of direct loans to industries, the security must be of a value equal to at least 125 per cent of the amount advanced by the Corporation.

The War Finance Corporation is a war measure pure and simple. By the terms of the act which created it, it shall cease operations six months after the war ends, except such activities as are necessary to liquidate its assets and wind up its affairs. It seeks to make effectual the pledge of Congress, when a state of war was declared to exist, that all the resources of the country should be thrown into the struggle—it sets free industries that were hampered and resources that were locked up because of lack of credit.

A White List of Business Books

(Concluded from page 34)

These are of value to houses that sell articles used by manufacturers.

Manufacturers whose products are sold through dealers can get directories of Dealers in Special Things, from many sources, of which here are a few:

Dealers in Special Things

Automobile Supplies (in Engineering Directory. Crawford Pub. Co., 537 S. Dearborn St., Chicago, Ill. \$5.00.)

Clothing Trade and Department Stores (in Dockman's American Report and Directory of the Clothing Manufacture and Cutting-Up Trade. Dockman Pub. Co., 6 Beacon St., Boston, Mass. \$6.00.)

Department Stores (in Where to Buy Millinery Goods. Millinery Trade Pub. Co., 1182 Broadway, New York City. \$1.00.)

Druggists (in Thomas' Drug Reference Book. Thomas Directory Co., 129 Lafayette St., New York City. \$15.00.)

Electrical Supplies, classified list of electrical supply dealers and contractors (in McGraw Electrical Directory, lighting and power edition. McGraw-Hill Book Co., 239 W. 39th St., New York City. \$5.00.)

Florists, horticulture supply concerns (in American Florist Company Directory of Ferneries, Nurserymen and Seedsmen of the United States and Canada. American Florist Co., 440 S. Dearborn St., Chicago, Ill. \$3.00.)

Furs. Fur Trade Directory, published by Fur Trade Review. F. Stallknecht Corporation, 1181 Broadway, New York City.

Groceries. Important retail groceries (in Thomas' Wholesale Grocery and Kindred Trades Register of the United States and Canada. Thomas' Directory Co., 129 Lafayette St., New York City. \$10.)

"Industrial directories," published by many states, sent on application to Department of Industry or Labor.

Lists Free of Charge

THE "membership lists" and yearbooks published by the trade and professional associations.

"Sources" of lists of associations interested in special lines, are in "1600 Business Books," under heading "Trade and Professional Associations."

"Trade papers" can generally give names of associations in their respective line and are glad to do it.

The "Eagle Almanac" contains a classified list of associations.

The list of "Commercial organizations of the United States," published as Bulletin No. 61 of the Bureau of Foreign and Domestic Commerce, includes the names of boards of trade, chambers of commerce and other commercial organizations in the United States, and gives address of secretary and number of members of each.

Shipping Shop Talks

IF you have the time, flag a few of your friends and begin talking to them about deadweight tonnage, gross tonnage, net registered tonnage, and displacement. Most of them will look as intelligent as if you were discussing the bearing of differential calculus on the Kantian antinomies. And the better read they are the more long-eared they will look. On the whole, since this war has to go on, it seems to be time that somebody told the truth about these things. So here it is:

There are four kinds of tonnage in use in shipping circles. They are gross tonnage, net registered tonnage, deadweight carrying capacity and displacement.

Deadweight tonnage is what the vessel actually can carry in tons of heavy cargo, plus stores and bunker coal.

Gross tonnage is based on the cubic contents of the hull, with certain arbitrary spaces deducted, and has little bearing on the cargo-carrying capacity of the vessel.

Net registered tonnage is gross tonnage, with certain allowances for crew space and machinery space deducted, and has little bearing on the dead-weight carrying capacity of the vessel.

Displacement is the total weight of the vessel when full of cargo—that is, the weight of her hull plus her deadweight tonnage.

In round numbers, a ship of 9000 tons dead-weight would stand about as follows:

Deadweight carrying capacity	9,000
Gross tonnage	5,000
Net registered	3,000
Displacement	12,000

Districting War Industries

AN immediate survey of every part of the United States is to be made in order to find out which industries not now doing war work may be utilized for that purpose, also which industries already engaged on work for the government are able to take on additional contracts or increase their production of munitions and war supplies. To do this, the War Industries Board has established a Resources and Conversion Section, with Charles A. Otis, former president of the Cleveland Chamber of Commerce and a member of the board of directors of the Chamber of Commerce of the United States, as chief.

The country has been divided into 20 regional groups, each of which will be organized through its commercial associations. One organization in each region has been selected to take the initiative in bringing about a definite organization. The commercial body chosen to do this preliminary work will communicate with every other business organization in its region and with the industries not represented in such associations and arrange for a general meeting at which plans of organization will be perfected. When that is done, it is expected that one man will be named in each region to act as the direct representative of Mr. Otis in handling business between the region and the Resources and Conversion Section.

Every type of industry, whether represented in commercial organizations or not, will be asked to cooperate. The regional system is intended to supplement the work of the national war service committees of the industries, some of which are already effectively cooperating with the government, while others are in process of formation. Many industries are not so organized as to permit representation by a national war service committee. By the regional system it is proposed to look after the requirements of these scattered industries and provide a greater impetus to increasing production. It is believed that this will result in great measure in preventing further dislocation of labor, new housing problems, unnecessary expansion of plants, and freight congestion.



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New List of Government Buyers

A pamphlet, "Purchasing Offices of The United States Government," has just been issued by THE NATION'S BUSINESS and is available to readers.

It contains a list of the purchasing offices of the government, revised to date, and an outline of the government's purchasing organization outside of Washington.

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What Congress Is Doing

(Continued from page 19)

to 25% on earned incomes, and to 30% on unearned, at \$12,500, remaining at that rate for higher incomes, on which super-taxes are added to make an eventual maximum of 52½%.

As things now stand, our income tax on some unearned income is less than on corresponding earned income. The Secretary asks that this situation be reversed, with unearned incomes expressly bearing a higher rate of normal tax. Out of such a difference he incidentally seeks an advantage for government bonds. In order to overcome a part of the handicap they now have in comparison with municipal bonds, which are free of federal taxes, he would apparently treat interest from them as earned. In this way he would likewise assist them in their competition with issues of private corporations which yield high returns but which, under his plan, would encounter to their disadvantage the larger tax on unearned income.

Other provisions which have appeared in the British law as a result of generations of experience with the income tax have not yet been mentioned in connection with our law. For example, England levies the tax, not on the income of one year, but on the average of three years. It has a special arrangement for taxing farmers, too. They may keep accounts and make a reckoning or in default of that procedure, and 90% of them have no books,—they pay according to the rental value their lands. This year their tax has been of doubled.

Rates of income tax will likewise be in question before Congress this summer. The Secretary of the Treasury recommends an increase in our flat normal rate, seeing in this, too, an advantage that will promote the sale of bonds. His meaning, however, is not wholly clear; for he would make the total normal tax on earned income expressly 12%, at which figure it is now for individuals on amounts over \$6000 if the so-called "excess-profits" tax is included, and the normal rate on unearned incomes he would put at some higher rate, saying that as to interest from securities it is now 4%.

However this situation may be worked out, attention will probably be given to the tax on intermediate personal incomes, as to which for amounts over \$6000 it is always to be remembered the "excess-profits" tax of 8% is added.

Possibly, there will be inclination to make our rates approach more nearly to current British income taxes. In comparison, the present rates of the two countries on personal income are approximately as follows, with indication of the ratio of the actual amount paid to the income and with the total including the 8% tax on "excess" placed in the American percentages printed in parenthesis:

American		British
\$2,500	4%	9%
5,000	1.6%	15%
10,000	3.55% (6.75%)	23%
20,000	5.9% (11.5%)	34%
50,000	10% (17%)	42%
100,000	16% (24%)	48%
500,000	39% (46%)	52%
1,000,000	49% (56%)	52.5%

How far the present law for imposition of income taxes will be simplified only developments in Congress will show. What the needs are, taxpayers, who have wrestled with the law, even after its elucidation by the Bureau of Internal Revenue, can testify. The ideal for such legislation was pointedly described by

the Supreme Court on June 3, when it gently reproved counsel for arguing at great length over the distinction between capital and income "in the resolution of a statute which concerns the activities of men and intended, it might be supposed, to be without perplexities and readily solvable by the off-hand conceptions of those to whom it is addressed." The Supreme Court on June 3 handed down a number of decisions regarding income taxes, but the cases arose under the earlier law; consequently, the decisions do not in all respects have a necessary bearing upon interpretation of the present law.

Luxury Tax Problems

HEAVERY taxation upon all luxuries was urged in general terms by the Secretary of the Treasury. What the articles might be, and the rate of tax, he did not suggest. A rate of tax might be agreed upon with no great difficulty, but selection of the articles is so much of a problem that the British cabinet this spring found its powers of choice were not equal to the task and a special committee of the House of Commons is now attempting the task. Decision of the point where the tax will be collected,—at the time of the manufacturer's sale, at each transfer of goods en route to the consumer, or when the retailer sells,—also involves much consideration. An outline of such taxes of this sort as are used in France and Germany, and proposed in England, was printed in the last issue of THE NATION'S BUSINESS.

Canada Increasing Revenues

NEW taxation may be a sign of the times. Our neighbor across the northern border has joined other nations in looking for larger revenues. In many ways the new Canadian programme, brought forward on the last day of April, squints at our income tax law; for instance, practically the same basis for personal exemption from tax is taken. The rate of income tax begins at 2% and rises to 50% on the excess over \$1,000,000. There is also a special war super-tax on incomes exceeding \$6000; the rate is 5% on the amount between \$6000 and \$10,000, and rises until it reaches 20% on any amount over \$200,000.

Since 1916 there has been a tax in Canada on business profits, i. e., on the excess over 7% for a corporation and 10% for partnerships and individuals. Railroads, life insurance, farming, and businesses employing less than \$50,000 in capital have been exempt.

Canada has some other taxes, too. It obtains 10 cents a pound on tea and 7 cents on coffee; 5 cents a foot on moving-picture films; and 10% of the selling value of a list of articles, including automobiles, jewelry, phonographs, and mechanical pianos.

This year the Canadian government expects to have total expenditures of \$700,000,000, of which \$425,000,000 will be for the war. Its revenues, with the yield of the new taxes, will reach \$270,000,000. From England Canada receives some assistance; for example, in receiving advances of \$300,000,000 a year to pay Canadian troops.

Amendments for War Laws

OUR legislation dealing with special war situations may be amended. The law under which allotments and allowances are made for the dependents of persons in the armed service is under consideration for some revision. The portion of the Enemy-Trading Act under which the Alien Property Custodian operates is also being examined, and hearings have recently been held to ascertain the situations that need correction.

Bumper Crops in Sight Conditioned Mainly Upon the Supply of Harvest Labor

(Concluded from page 31)

wheat in June needs dry weather for its successful outcome, which is just the time when corn demands much moisture to protect it against the blazing skies of July.

This promise of the wheat yield depends for its accomplishment much upon the amount of labor available at harvest time. Fortunately both patriotic endeavor and intelligence are doing everything possible to overcome the increasing shortage of labor. Government and state authorities have tackled the problem, and one result is an army of harvesters, who day by day are following the ripening wheat northward from Texas and Oklahoma. Retired farmers are returning to the farm for the time being to assist along with students from rural high schools, business men from the small towns, and even those idlers who feel the impulse of the times. The spirit of the city man is willing enough, but he finds that his flesh is weak.

Vegetables and early fruits are coming to market literally in thousands of carloads per week. Yet there is much of this produce that cannot find transportation. One observer in Colorado says (paradoxically enough) that onions are weak and have not a friend, because of their oversupply and the lack of cars.

The outlook is for a very large yield of all fruit save peaches. This uncertain fruit was badly blighted in the east and central west by the severe cold of last winter and the late frosts in spring, but is doing well in the south and far west. Georgia in especial is maintaining her reputation for peaches in fruit production, as well as on the baseball diamond. The striking feature of fruit grown commercially is the increasing intelligence and scientific knowledge applied to its production, and consequently to its success.

The story of cotton is of a kind with other agricultural products: a high condition and generally favorable circumstances. The breaking of the protracted drought in Texas and parts of Oklahoma has done much to bring this about.

The story of the crops for the next two months is the story of the moisture bearing southwest and northwest "lows," as to whether they come regularly, which means a great harvest; or whether they do not, which means much trouble.

One feature of the agricultural situation is the fine condition of pastures, owing to much moisture. This means cheaper feed for livestock, and is one of the causes of the slow but steady increase in the numbers of meat animals in this country. Prices in practically all commodities are unnaturally and unreasonably high, save where curbed by Government regulation. This tendency to advance prices because of war's conditions adds both to the scope and necessity of Government control. There is a general substitution going on of cheaper articles for those whose inflated prices have put them out of the running. There is also a general and very sensible dis-use of many non-essentials in the form of odd sizes and kinds, and articles for whose demand there is nothing more substantial than whim or fancy or caprice. Labor grows scarcer. The volume of business continues large despite the fact that building and development, prime factors in prosperity, are practically at a standstill. And business goes on, making the most of the time, amid complications, difficulties, and possibilities unknown to its previous experience.



Threefold Co-operation

Every telephone connection requires co-operation. The slightest inattention or indifference on the part of the person who calls, or the company that makes the connection, or the person who is called results in a corresponding deficiency in service. Each is equally responsible for the success of the service.

Not only is it to the advantage of the individual himself to use the telephone efficiently, but his conservation of the advantages of these national lines of speech benefits all telephone users.

Accuracy in calling, promptness

in answering, clear and deliberate talking, courtesy and patience on the part of both user and operator are essentials of service, and must be mutual for good service.

Efficient telephone operation is vital to the war work of this country. The army, the navy and the myriad industries contributing supplies depend on the telephone. It must be ready for instant and universal use. The millions of telephone users are inseparable parts of the Bell System, and all should patriotically contribute to the success of the service.

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A Marine Toast

HERE'S to you, Finner Schock—with that story book name of yours; and here's to all your gang.

They tell us you're beaten, just because a fine chap named Tom Horn, living out there in California has more than doubled your shipyard record by driving 5620 rivets in nine hours. Bully for Tom Horn! Probably



you're pounding right at his heels by this time. His pace looks mighty big beside that wonderful 2720 hot pins with which you astonished the world only a few months back. But don't forget one thing: none of the rest of us will ever forget—You started it! And you, and that queer name of yours and the names of your gang will stick in the pages of shipbuilding history. Other Tom Horns may come along and douse Tom Horn's glim; but you began it!

You set 'em all going. Your cap was first in the ring. You first challenged every other rivet driver in the world. Because of you the pneumatic hammers are now clacking and clanging on the plates with twice the speed they ever showed before.

You aren't beaten, Finner Schock. No one can beat you. Yours is the long start. No ocean greyhound has ever caught the caravels of Christopher Columbus.

You set the pace. You raised aloft an ideal for all your trade. There isn't a man in the yards or out of them who has done his country a bigger service.

But don't let's forget the gang, either. Here they are, the men who saw it through with Finner Schock: Albert Schluder, passer; L. Roy Sennett, heater; William Maher, heater; Eugene Schwenke, passer; Thomas Stapleton, holder-on.

Our Fuel Tape-Worm

CONSIDER the small boy—or a big one, for that matter—eating his dinner. After a time you say, "Gosh! Where does he put it all?"

The appetite of your Uncle Samuel for fuel is about like that. Your inclination, unless you know his need, is to ask the same bewildered question.

But consider:

We have one baby war plant that started this summer with a moderate appetite for 5000 tons a day, and changed it a few weeks ago to 7000 tons a day—2,500,000 a year—and still growing.

There's another husky infant plant that will be asking about the first of August for 14,000 tons a day—5 million a year.

We are going to need 35 million more tons for industrial uses than we did last year; 3 million more than last year for gas and electric utilities; 12 million increase for railroads; 4 million increase for foreign bunkers; 4 million more for the substitution of coal for oil in the West; 9 million increase for domestic use.

Our smokeless powder plants want 3 million tons increase for making steam. The steel industries, excluding by-product coal, want 13 million tons more than ever before; the by-product coke ovens call for five and a half millions increase; and the shipyards for one and a half million increase.

Roughly, the actual requirements will be about 15 per cent greater than last year, while the maximum estimate of increased production for 1918 is seven and a half per cent.

In tons the total call is for about 735 million.

It is regarded as unlikely that the production of anthracite can exceed the output of this past year—namely 89 million gross tons. That means that the difference must be made up by the bituminous mines, and that these are called on to produce 85 million tons more than they produced last year, which was a record year.

These are some of the figures that came to light at the First Annual Convention of the National Coal Association in Philadelphia in May. There are plenty more over in the Fuel Administration at Washington; but because they would interest Germany they are *verboten*.

The Wheat Puzzle—Solved

TO many Americans it is not clear why wheat is vital in Europe. Why shouldn't Europeans learn to use corn, and to eat corn pone—the food on which the South fought during the Civil War? Why can't we send them less wheat and more of other cereals?

Those are reasonable questions; and they are not answered by a simple statement that Europeans must be given their cereal in the form their habits demand. It still remains far from clear why they could not easily become used to something else.

They doubtless could. That is not the point. The reason why they must have wheat is that wheat can be prepared for eating with less labor than any other cereal. If the substitution of other cereals be necessary, then we are the ones who must carry the extra burden of labor which their use involves.

It should be understood that this difference in labor is far from trifling. Fifty per cent of the food eaten in a French village, for instance, comes from the village bake shop—which is just another way of saying, first, that fifty per cent of a Frenchman's diet is bread; and second, that French women bake no bread at home.

If the French had to depend on other cereals than wheat, however, French women would have to abandon their dependence on the bake shop for half their food, and do more cooking. They would have to get up earlier and go to bed later. They would be deprived of a labor-saving arrangement of greatest importance. Wheat they can eat without other food. Most other cereals call for milk or sugar or fats or meats—something to go with them, usually something expensive, and generally the combination requires special cooking.

French women can ill afford either the time or the extra material. American women, on the other hand, do have both time and material. The burden should therefore fall on us.

Seventy per cent of the men have left the French farms and villages. The women are taking their place. The excessive work and the attrition of war, and the loss or peril of loved ones, and devastating taxes—these things have barely touched us here.

The conclusion is plain. France, whose diet is fifty per cent wheat; Italy, whose diet is forty-two per cent wheat; England, whose diet is thirty-three per cent wheat, must have wheat. We must take what is left.

Away With the Flesh Pots!

THE wheat yield of this season may, if conditions continue just right, exceed that of 1915. We shall have an ocean of wheat. Our elevators will be full.

And yet, in the face of that great outlook for plenty at home and abroad, we have the Food Administration already calling on the nation to go forward with the conservation programme.

We are using 40 barrels of flour where we would normally consume a hundred, and now we are told that this self-denial, on a somewhat less stringent scale, must still go on.

It will go on on one condition—which is that the whole nation be brought immediately to understand the reason and the necessity for this new demand on it for sanity and restraint. As abundant money burns the pocket, so this abundance of wheat, together with the abundance of other grain for stock feed and increase of meat, will be a call to the flesh pots. If we do the right thing now, as a nation, it will be a greater evidence of our patriotism and our fighting spirit and our generous sympathy for our Allies than any amount of self-denial produced by the threat of immediately impending want.

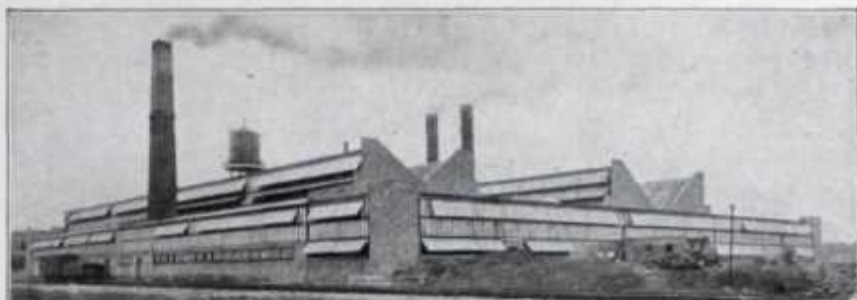
Here is the situation in a nutshell:

Our grain supply of 1917 was 7 per cent below the normal in life sustaining power, as measured in terms of quality and quantity. If that percentage had dropped another 7 per cent or more, the war would probably have been lost.

How narrow was the margin between us and destruction is shown with terrible force by the smallness of the amount of wheat which is now on hand to carry us to harvest. On June 1 there were 56 million bushels on hand. If we should keep all of that for our own use it would give us about one-third of our normal consumption of 40 million bushels a month. But we are going to send at least 30 million bushels to Europe. That leaves us 26 million—approximately one-sixth of our normal supply. In other words we shall be practically wheatless until harvest. Counting in other food shortages in other directions, our civilization has had about as close a shave with the razor of destruction as any lover of risks could ask.

For this we have the economy and self-sacrifice of the American people to thank. Our food conservation policy has worked, is working. The results already achieved should hearten us greatly. Sight of a big harvest, however, should not cause us to relax our efforts. We shall probably not have another like it as long as the war lasts. Production is the great word now, conservation must be that of the future.

The situation demands, then, a positive insurance here and abroad against future near contact with famine. It demands, for the sake of our Allies as much as for ourselves, that we have a reserve great enough to carry us through any unexpected crop reverses or smallness of acreage planted in the future. No one thing we have done so far in this war has meant more to the morale of our Allies than the flood of food we have been sending them. The menace even of possible famine must no longer needlessly strain their courage.



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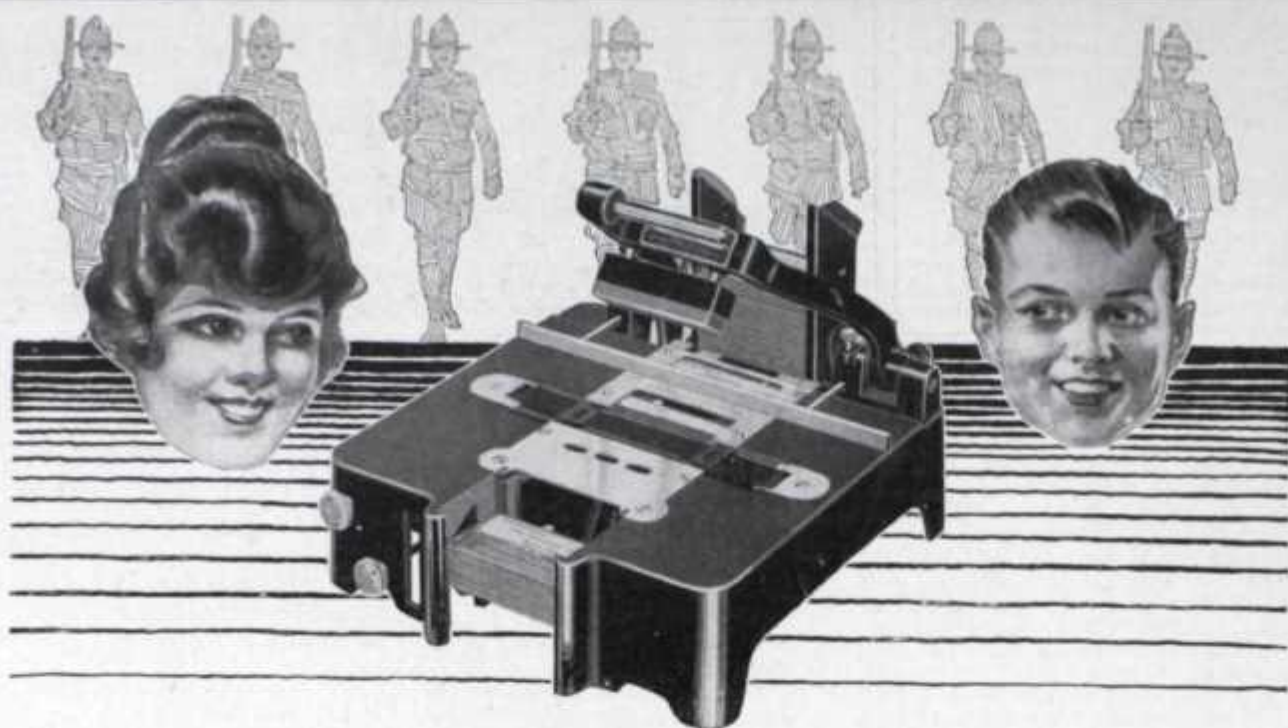
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